

has always been fair to this Senator. We have clashed from time to time on issues. But fairness and confidence and being a very capable Senator and a Senate leader has been the hallmark of BOB DOLE.

I simply say that we will miss him very much in the U.S. Senate, and I would have preferred that he not take the additional step that he announced today with regard to resigning from the Senate. I recognize that in running for President of the United States, it was most difficult to be here, to be a leader. However, I thought the announcement that I read in the papers this morning with regard to Senator DOLE, recognizing that he could not do justice to his Presidential race and be a full-time leader of the Senate and the suggestion that he turn this over to other Members of the Republican majority, seemed to make sense to me. But, for whatever reason, BOB DOLE has made the decision that I think he had to make. I only thank him for the friendship.

I will value the few remaining weeks, week or two or three, that I will have the privilege of serving together with him in the U.S. Senate.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I do not want Senator GRASSLEY to think we are procrastinating and trying to put his amendment off. He is going to have to be absent for just a few minutes.

Mr. President, I will use just a few minutes here as in morning business. I ask my remarks be as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### THE RESIGNATION OF BOB DOLE

Mr. DOMENICI. Mr. President, the last 3 or 4 hours have been a time of very mixed emotions for many of us. A while ago when we were crammed, all of us Republican Senators, in BOB DOLE's office, when he told us of his desires and wishes, I can say that was a room where grown men, more than one, had a few tears in their eyes, including our distinguished majority leader.

I, for one, will miss him very, very much here in the Senate. But I think when we finally take stock of the U.S. Senate—we are now 208 years old, but if we were to take stock, now, of the 208 years of the U.S. Senate, looking for the giants of the Senate, I am not the least bit reluctant to say that whatever short list one chooses as part of history, BOB DOLE will be among the giants and the real leaders of the U.S. Senate. There is no doubt in my mind, if you take just the last 100 years, that BOB DOLE would once again show up in the top three, four, five U.S. Senators of this entire modern century.

So, obviously, you cannot take somebody like that out of here and not have

a big void. We will clearly miss his leadership and his marvelous ability to tell funny stories and get us off guard and get things done. But essentially his life has been one of real sacrifice for the country. Most Americans do not know that. They have to find out.

BOB DOLE dedicated weeks and months and years to getting his body in the position where he could conduct business and be a Senator after his tragic World War II accident on the front lines. In that, he learned about determination and about fortitude and about strength, and how much strength he really had. He has been giving since then, giving and giving and giving—not to the Senate, but to the American people. And, since he has made the decision that he wants to be President, I, this Senator, wholeheartedly support what he has chosen to do. I hope it is everything he plans it to be, and I think it will be.

He will go to the American people not as the majority leader or Senator, but as a man from Kansas who has sacrificed more than once for this country and will try to do it one more time. I have nothing but great admiration and respect.

My comments to him today are: The very best to you, BOB DOLE. Hopefully, this decision will take you to the White House. If it does, it will be the greatest decision you ever made, and a great decision for America.

But, indeed, there is no question the American people are going to get to find out who BOB DOLE is and what he is all about. And if that is done, it will be a fair election. For if he cannot do that, if the people do not get to know him as he is, it will not be a fair election, not one where he will have the right kind of chance to be President.

So those are my few remarks for today. In time I will say more about him, recalling some of the things we have done together.

With that, I yield to Senator GRASSLEY for his amendment.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from Iowa.

#### CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

Mr. GRASSLEY. I yield myself as much time as I might consume, but I would like the Chair to notify me when I have 15 minutes left because I want to make sure my cosponsors get ample time to speak on the amendment as well.

Did the Senator from Nebraska want the floor?

Mr. EXON. Mr. President, could I pose a question now so we could establish this? This is the first amendment that is being offered. Do we have time agreements on amendments?

I remember in the opening remarks, the chairman of the committee indicated some time limits on the amendments. For the information of this Sen-

ator and the Senate as a whole, will the Chair please indicate how much time is allotted to the amendment, the first degree? I assume that timeframe would continue unless we get unanimous consent at some future time to change it. What is the agreement on time limits?

The PRESIDING OFFICER. On the Budget Act, there are 2 hours equally divided on first-degree amendments, 1 hour equally divided on second-degree amendments.

Mr. EXON. So there are 2 hours, and 1 hour, half an hour a side, on any amendments to it. Is that correct?

The PRESIDING OFFICER. Second-degree. The Senator is correct.

Mr. EXON. I thank the Chair, and I thank my friend from Iowa.

Mr. GRASSLEY. I assume that my time is starting right now.

The PRESIDING OFFICER. The Senator has not called up his amendment. We will not proceed until the amendment is at the desk.

AMENDMENT NO. 3963

(Purpose: To reduce defense spending)

Mr. GRASSLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for himself, Mr. EXON, Mr. KOHL, Mr. KERRY, Mr. FEINGOLD, and Mr. HARKIN, proposes an amendment numbered 3963.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 8, decrease the amount by \$8,300,000,000.

On page 4, line 17, decrease the amount by \$2,300,000,000.

On page 8, line 3, decrease the amount by \$8,300,000,000.

On page 8, line 4, decrease the amount by \$2,300,000,000.

On page 52, line 11, decrease the amount by \$8,300,000,000.

On page 52, line 12, decrease the amount by \$2,300,000,000.

On page 59, at the end of line 2, insert "This section shall not apply to defense discretionary budget authority and budget outlays caps for fiscal year 1997."

Mr. GRASSLEY. I yield myself 15 minutes, Mr. President, off of my time.

For those on the Budget Committee, this amendment attempts to do almost exactly what I did in the Budget Committee, somewhat lower numbers, but also the numbers are not fenced in the truest sense of the word because, under the budget resolution, that would be subject to a point of order, and we wanted to make sure the amendment was germane.

So to the Budget Committee members, we are still trying to reduce the deficit by the amount we are saving on defense. For the rest of the Senate, I want to say my approach is the same, the same goal, lower numbers. We are

speaking about reducing the defense numbers, and we are speaking about reducing the deficit when we save money on defense. The exception to that would be the President of the United States capability of declaring that he needs more money for defense and having that be considered, in an emergency, and not having to have offsetting numbers.

It strikes a balance, I believe, between administration proposals for defense spending and that proposed in the budget resolution.

The amendment would reduce the budget authority for defense for fiscal year 1997 by \$8.3 billion below the budget resolution. Outlays for defense in fiscal year 1997 would be reduced by \$2.3 billion. The savings are earmarked for deficit reduction.

Some of my friends might be concerned that down the road, we will need more funds for national security. In that case, this amendment allows the President to propose emergency spending for defense without requiring offsets.

I am pleased to be joined on this amendment as my main cosponsor by Senator EXON, a member of the Armed Services Committee and ranking Democrat on the Budget Committee, as well as Senators KOHL, KERRY, FEINGOLD, and my colleague from Iowa, Senator HARKIN. I should note this amendment is supported by the National Taxpayers Union, one of the top deficit hawk groups in Washington, DC, and I ask unanimous consent to print that letter in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL TAXPAYERS UNION,  
Alexandria, VA, May 15, 1996.

Hon. CHARLES GRASSLEY,  
U.S. Senate, Hart Senate Office Building,  
Washington, DC.

DEAR SENATOR GRASSLEY: Thank you for contacting the National Taxpayers Union (NTU) regarding the amendment you plan to offer to the FY 1997 Budget Resolution in an effort to control defense spending.

Your amendment would "fence" \$11.3 billion in budget authority and \$2.9 billion in outlays (the difference between the President's proposal and the Committee's mark for FY 1997), making the additional funding contingent upon the President's certification that the funds are necessary for national security. If the President fails to make that certification the funds would be used to reduce the deficit.

America's taxpayers deserve a more fiscally responsible and cost effective federal government, as well as the lower taxes that should result from spending reductions.

Your legislation will be helpful in that regard, and therefore NTU is pleased to endorse it and urge your colleagues to support it.

Sincerely,

AL CORS, Jr.,  
Director, Government Relations.

Mr. GRASSLEY. Mr. President, just so everyone understands the history behind this amendment, let me call your attention to this chart. I want to call your attention to this chart because with the budget authority side of

the chart, it lays out the history of where we are and where budget resolutions take us and where the President is.

Last year, the Senate budget resolution proposed that in fiscal year 1997, we should have this figure of \$253.4 billion. What is important and significant about what we did last year and this year is that we had 60 Senators on a very bipartisan vote last year reject an amendment that would have increased the dollar amount of \$253.4 billion, a bipartisan vote in the Senate not to go above \$253.4 billion.

Now we have this budget resolution which has disregarded the Senate's action last year and disregarded last year's vote, practically the same membership in this body, and has proposed \$265.6 billion for defense. That is the number in the resolution that is before us, \$265.6 billion.

Simple arithmetic. That is \$11.3 billion more than the President's mark. The President's mark is this middle figure. What he proposed to us in his budget this February, \$254.3 billion. You can see the difference, \$11 billion; \$11.3 billion, to be exact.

It is also \$12.2 billion more than the level voted by 60 Members of this body last year.

What the amendment offered by this Senator and my colleagues would do is provide a compromise by allowing defense to increase \$3 billion above the President's mark and nearly \$4 billion above the level voted by the Senate last year. That would be \$4 billion above this figure of \$253.4 billion.

So I hope that you realize that we are trying to do a compromise approach here, not just one of these take it or leave it, we want everything or we don't want anything approach.

It is a good compromise, I believe, that will address the concerns of those who want to ensure adequate spending for defense and also ensure that defense spending does not grow out of control.

I want to give some background and rationale for this amendment. It probably does not differ from the background and rationale that I would give for similar amendments I have offered over the many years that I have been in the Senate.

Every so often, since the 5th century B.C., some bright scholar states the obvious. The most recognized statement was by philosopher George Santayana when he said, and we have all heard it so many times:

Those who cannot remember the past are condemned to repeat it.

He goes on to say some very crucial and insightful things about learning from our experience. He says:

Progress . . . depends on retentiveness . . . [W]hen experience is not retained, as among savages, infancy is perpetual.

Mr. President, this body, the U.S. Senate, is coming dangerously close to what George Santayana described. We are close to acting like children. I know that might shock the public. At issue is whether the Senate is con-

demned to repeat the mistakes of the 1980's; specifically, whether we will pump up the defense budget with no justification and with no control over it and, in the process, we would be getting less defense than planned.

Last year during conference discussions—that is ironing out the differences between the House and the Senate on the budget resolution—we were promised Defense Department reforms. We were forced to support higher defense numbers, but the quid was that we would get reforms this year. We were told that there would be complete top-to-bottom reform of the Pentagon, so much so that it would change the Pentagon into a triangle.

Mr. President, I drive by the Pentagon each night that I go to my house that I occupy here in Washington—not my home, but my house. My home is in Iowa. Each night since last June 28 when we heard that in that conference—that is when we voted that conference report—I watched and waited. As of last night on my drive home, it is still a pentagon, it is not a triangle.

The justification for my amendment is to stop the raping and pillaging of the Treasury under the guise of national security. There is a very sophisticated con job going on with this defense budget, and I would like to describe it so that the taxpayers know exactly how it works, how the defense industrial military complex picks their pockets.

There are two facets of this con job. The first is bureaucratic; the second is congressional. Congress collaborates with defense bureaucrats in an extortion of the taxpayers who think they are paying for national security. Instead, they are paying for pork for Members of Congress.

The game the bureaucrats play is the most sophisticated. It took me a couple of years to figure this one out. First, the bureaucrats deliberately underestimate the cost of everything in the budget. That way, everything they want gets squeezed in. Nothing gets turned down. You can have it all, just like you can have your cake and eat it, too, almost. "Just get all the programs approved," the bureaucrat says, "we'll worry about the money later on."

You see, once a program gets started, programs hardly ever end. You might say they never end. Too many jobs and too many careers are at risk. When the actual bills come in, they say, "Oops, we've underestimated the costs. By gosh, we've got to do something about that. We need more money to buy all this stuff that we've committed."

That creates then constant pressure to raise the defense budget, but it does something else as well: there is not enough money to cover all the cost overruns, so we buy fewer quantities. This drives up the prices even further. Over time, because of bad management, we buy less for much more. This hurts our ability to defend our country. That is the bureaucrats' game.

Here is how it is handled when it gets to the Hill. We saw it last year, and we are seeing it again this year:

The Armed Services Committee collaborates with the Budget Committee. They find a nice fat defense number that can accommodate everyone's insatiable appetite for pork. The numbers start to move through the Budget Committee. Meanwhile, the Armed Services Committee starts to cram all their pet programs into the budget, all the way to the brim. There is even some overflowing, Mr. President.

The budget resolution then goes to the Budget Committee; from the Budget Committee to the floor. That is where we are today.

Some Senators offered amendments to squeeze the defense budget, to rid it of pork and waste, just like the Grassley amendment. But such an amendment is put at a great political disadvantage. The taxpayers are unaware of this, but members of leadership and members of the committees are busy behind the scenes twisting the arms of undecided Senators. They confront undecided Senators with a newly drafted defense bill crammed in with all the pet programs.

The undecideders are told, "If you vote to squeeze the defense budget, as Mr. GRASSLEY wants to do, we'll take program A, B, or C out of the bill. Your State will suffer. You'll lose jobs." Of course, that is intimidation. And some people are intimidated and vote then for fatter defense numbers.

What Senator wants to lose potential jobs in his or her State? These Senators might be intimidated, but for taxpayers it is extortion. They are really getting the shaft. The same thing happened last year. This year the Senate committee wised up and did the same thing as was done in the House last year. The bottom line is, bureaucratic and political games are wreaking havoc with the taxpayers' bottom line, all in the name of national security. They are conspiring against the taxpayers' interests, pure and simple.

I remind my colleagues of the promise accompanying last year's budget conference report, with the bloated defense budgets that I pointed out here—\$265.6 billion. They said, you will get reforms next year. The reforms were supposed to be of infrastructure and base closures. The savings would then be used for modernization. This was the specific promise of the Secretary of Defense as well.

But we have the General Accounting Office out there, that nonpartisan group of people that are to make sure that we use honest numbers in Government. The General Accounting Office just completed a review of the infrastructure savings. The GAO's findings are truly amazing.

Despite four rounds of base closures since 1988, there are no savings. And now, despite very dramatic cuts in our force structure, there are no savings. DOD infrastructure costs are going up, not down.

On April 25, I spoke about this in detail on this floor, Mr. President, laying out all the facts. The promise was that we would have savings. The reality, Mr. President—there are no savings. It is not that there were not modest savings, the problem is, it has all been spent. It has been spent on new infrastructure projects like public affairs and headquarters and, in other words, creating more spin and fattening up headquarters. Overhead—that does not come very cheap. It soaked up all of the savings.

So as the force structure of our armed services gets smaller and smaller and smaller, headquarters gets bigger and bigger. It is still then a pentagon; it is not a triangle.

Once again, Mr. President, the Pentagon is proving that it cannot allocate money sensibly. Once again it is proving it cannot save money even with such golden opportunities given by base closures. That means that we will not have the money promised for the modernization so that we can meet the needs of our national security in this new budget environment we are in to balance the budget.

The question is, do we reward this bad management with even more money or do we hold the Department of Defense's feet to the fire? Do we support the defense budget in this resolution or do we put a meaningful constraint around it so that it will be managed better?

The PRESIDING OFFICER. The Senator has used his 15 minutes.

Mr. GRASSLEY. I yield myself 1½ more minutes.

The PRESIDING OFFICER. The Senator has that right.

Mr. GRASSLEY. That is the essence then of my amendment. It is an attempt to better manage the Pentagon's resources, because enough is enough. Promised reforms are not the same as real reforms. We shovel billions into the defense budget on the promise of reforms. Historically the reforms have failed to materialize, yet we still throw good money after bad.

If we fail to learn the lessons of the past, as George Santayana preaches to us, "We're doomed to repeat them ad nauseam." If we do that again this year, Mr. President, we will be falling into the familiar trap once again expressed by the great philosopher Georg Hegel. He said, "We learn from history that we learn nothing from history."

So I urge my colleagues to avoid repeating the mistakes of the past. I ask them to vote for the bipartisan amendment, the Grassley-Exon amendment. I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I thank my colleague and friend from Iowa for yielding me time. I simply say that there undoubtedly will be opposition to this Grassley-Exon amendment. I certainly do not think it is proper for me to be managing the time in opposition

to an amendment that I am a cosponsor of. So I just alert Senators who are likely opposed to this amendment that they should come here, and someone should assume the responsibility for managing the time against the amendment.

First, Mr. President, I am reminded of a couple years ago when the Democrats were the majority party in the Senate. And I teamed up with Senator GRASSLEY for an Exon-Grassley amendment at that time that proposed to cut \$26 billion in outlays and \$42 billion in budget authority over a 5-year period. We were working on a 5-year proposition then.

Do you remember the wailings at the time? The Secretary of Defense, who is still the Secretary of Defense, the Assistant Secretary of Defense, who is now Director of the CIA, and others, moaned and groaned, and the wailing went on about how Exon-Grassley was devastating our defense budget.

Well, they did not have the horses. Exon-Grassley at that time passed. And it was a modest step at that time dedicated to reducing the deficit.

This year, with the Republicans in the majority in the Senate, I was very pleased when my friend and colleague from the neighboring State of Iowa came and asked me my advice on this amendment. It is true that Senator GRASSLEY offered in the Budget Committee on which I serve an amendment that eliminated the \$11.3 billion increase over the President's budget. And I supported that in the Budget Committee. And it lost on a 12-to-12 vote.

When we conferred upon the proper course of action here, we agreed that—I think, and I think a near majority of the U.S. Senate feels, that the amount authorized over the President's budget for defense, which was \$12.9 billion, \$12.9 billion, I say, in the Armed Services Committee, and \$11.3 billion over the President's budget, as it came out of the Budget Committee, is more than we need to spend, because it is more than the President requested; it is more than the Pentagon requested; it is more than the Chairman of the Joint Chiefs has requested. So I simply say that I think that the Grassley amendment, and others, this time is in good form and proper taste.

I suggested to my friend from Iowa, in our conversation about this, that probably rather than duplicating the effort in the Budget Committee by eliminating all of the \$11.3 billion increase, that we would possibly recognize that maybe we would garner some support if we would not cut the whole \$11.3 billion, but allow for a modest \$3 billion increase to the President's numbers.

I have no definite word on this from the White House, but I am quite confident that the President would accept a modest \$3 billion increase that we are suggesting over the recommendations that he has made. I do not know whether he would veto the defense authorization bill if faced with an \$11.3 billion

increase, which I think may be veto bait. I do not think this slight increase would be veto bait, and I appreciate the fact that the Senator agreed and thought that was the right figure to go with.

Certainly, I simply say the amendment, in technical terms, reduces the defense numbers in the Republican mark by \$8.3 billion in budget authority and \$2.3 billion in outlays. This still represents an increase, once again, of \$3 billion over the President's budget request and the budget authority and \$600 million additional in outlays. It seems to me this Grassley-Exon amendment has something in it for almost everyone because it is the ultimate in reality, I believe, at this time.

Let me summarize this amendment, although the Senator from Iowa has basically gone through it. This amendment does two things. First, it reduces defense numbers by \$8.3 billion in budget authority and \$2.3 billion in outlays. Second, it revises the budget resolution language that eliminates designating appropriations as emergency by creating an exception for defense. This allows the President and the Congress to approve increased defense funding over and above Grassley-Exon by the use of an emergency designation.

I think the Senator from Iowa stipulated what this is about. This is simply saying in another fashion that with the \$3 billion over and above the defense numbers suggested by the President and the Pentagon, there is a means in the case of an emergency, if that should occur, for the President and the Congress to go up to the \$11 billion figure, if such an emergency occurs.

Is that the right interpretation of this, I ask the Senator from Iowa?

Mr. GRASSLEY. Yes.

Mr. EXON. The Republican defense budget for 1997 is excessive in a time when we are desperately trying and seeking to balance the budget.

This amendment would scale back the Republican overzealous \$11.3 billion increase to the President's request but still provide a modest \$3 billion increase to try to satisfy some, if not all, of the priorities that have been expressed in the Congress on both sides of the Hill. At a time when we are trying to balance the budget, such an exorbitant increase of \$11-plus billion is uncalled for. We cannot return to an era of just throwing money at the defense problem at will, especially when the experts in the administration and the Pentagon have not requested it.

This action recently taken by the defense authorizing committees, I think, demonstrates the point that I am trying to make. In the House National Security Committee and the Senate Armed Services Committee, the majority added \$4 billion in procurement and R&D accounts that was neither in the Pentagon's 1997 request nor in the Pentagon's 5-year future years defense plan. That means that the authorizing committees approved \$4 billion for programs that the Pentagon would never

have bought even if it had had the money.

The real issue, Mr. President, is not how much to give defense but how to distribute it over a 6-year timeframe. Both the Republican budget resolution and the President's request propose to spend \$1.6 trillion—that is \$1.6 trillion on defense between 1997 through the year 2002.

The real allocation for defense differs by only \$11 billion. The Republican plan increases defense dramatically in the first few years and then flattens it out in the outyears. How we will pay for the associated rise in operation and support costs and still balance the budget is a mystery. The present budget at least increases the outyears to reflect defense budget realities to the point that it is \$11 billion more than the GOP plan in the year 2002. And the President still balances the budget by the year 2002, as certified by the Congressional Budget Office, as I said earlier today.

This amendment leaves open the possibility to increase defense spending, as I have outlined and as Senator GRASSLEY has outlined, if necessary. By reinstating the ability to declare supplemental appropriations of defense budget by emergency, a simple majority in Congress with the approval of the President will still be able to increase the defense budget if it truly is an emergency and truly in the national interest.

Mr. President, I have just received a letter from Director Alice Rivlin that the administration states its position on the defense numbers in the resolution that Senator GRASSLEY and I are trying to reduce. In that letter from the Office of Management and Budget, Director Alice Rivlin states: "The resolution provides \$11 billion more in the defense budget than the President's budget in 1997 which commits historically high levels of resources through readiness as measured in funding for the troops. Further, in the critical years of defense modernization at the turn of the century, the resolution does not provide enough budget authority compared to the President's defense program."

Mr. President, I urge adoption of the Grassley amendment. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, how much time have I used or has been used in opposition to the amendment?

The PRESIDING OFFICER. None at this point.

Mr. DOMENICI. I will speak for a few moments. The word should go out there are a number of Senators on our side who want to speak against the amendment. We have plenty of time, but we do not want to be here in quorum calls. We have sought not to do that once we go to work on the resolution. I hope they will come to the floor and be heard.

Mr. President and fellow Senators, let me first indicate unequivocally

that Senator GRASSLEY is consistent. He has consistently called for reduced spending and he has consistently been concerned about whether or not the spending on defense is being done in the most efficient manner. In many ways, he has been successful. We have consistently reduced defense spending since 1987. Since 1987, defense spending has declined 34 percent after inflation.

On the other hand, since 1987, the rest of the discretionary programs of America have increased by 31 percent. For those who say, in the last few years, domestic spending has been cut, the truth of the matter is—and these are in constant dollars in this chart behind me—1987, this red bar is defense discretionary; domestic discretionary is the green bar; the big, big expenditure, sort of the blockbuster is the purple bar, which is entitlements.

Moving over a decade we will find in real dollars defense is down 34 percent; domestic discretionary is up 31 percent, and, of course, the entitlement programs are a 41 percent increase. So that is the story of spending as it relates to defense and domestic in the United States.

So, in a very real sense, Senator GRASSLEY's concern about getting spending down has not fallen on deaf ears. Obviously, some big events occurred in the world, but many, many things have happened for the better in the Defense Department in terms of efficiency, in terms of better contracts, less waste, less loopholes, less opportunities to take advantage of the taxpayer.

This budget resolution reduced defense spending from last year's assumption over the next 6 years by \$14.3 billion. That is, over the next 6 years we have reduced defense over what we assumed last year as we produced a 7-year trend line—reduced it by \$14.3 billion.

Senator GRASSLEY would reduce defense spending next year from that number that we have by \$8.3 billion. That will be the 12th straight year of decline.

Now, I agree with Senator GRASSLEY in one important way. He has said in the Budget Committee—and while I was not here for his entire speech, I believe it is fair to say that the Clinton administration has played politics with this year's national security budget, the defense budget. The President has proposed a significant reduction in defense spending this year, despite his 1995 State of the Union Address that drew a line on further defense cuts.

Now, it is interesting, and the President will probably say, along with those who defend his budget, that looking out over the next 6 years, the President lets defense grow a little bit. Well, this is so typical of the budgets coming out of the White House. For domestic spending, which he wants to say he is not cutting, those go up in the first few years and then come tumbling off the wall in years 4, 5, and 6 from now. On defense, we turn it the other

way and say, do not worry, we are going to cut it this year, but it is going to go up. We think both of those approaches are inconsistent with what is good for the men and women who are in the armed services, the operation and maintenance, and seeing to it that they have good equipment, as modern as possible.

Now, cut defense spending so you can show big add-ons in the nondefense budget, but then send your military chiefs of staff to the Hill. They come to the Hill and they ask for more money. In fact, our adding up of what the chiefs—the Chief of the Air Force, a four-star general; the Chief of the Marines; and the head admiral of the Navy—they have come up here and said, “Yes, we are a part of the President’s budget, but we sure would like some more money, because we need it.” They asked for \$15 billion. We could not do that. We gave them less.

So, in a sense, I agree with the distinguished Senator, except I do not have enough confidence in trusting the President to ask for money, from now until the election, if they need it. One of my friend’s—Senator GRASSLEY—ideas is let us give him his budget, and let him have to come up here and ask for more. Frankly, I do not think that will happen until after November, even if we did. I do not want to take that risk.

I figure we can just as well go ahead and analyze the requests made in the committees. The authorizing committee of the U.S. Senate, the Senate Armed Services Committee—I believe Senator EXON is a member, and if my recollection is wrong, and he can correct me—voted 20–0 to report out a Defense authorization bill that is consistent with the Republican mark and the Republican budget, not the mark or the dollar numbers the President asks for in his budget.

So maybe some would like us not to bail out the President, but I believe it is not bailing out the President. If that happens to be a side-effect of doing what is right by the Defense Department, and by the men and women of the military, who need our help—incidentally, Mr. President, when we voted in the all-volunteer military—the All-Volunteer Army and Navy and Air Force and Marines, during the Nixon era, we said we were going to pay them the equivalent wage of what they would make in the civilian sector. I am very pleased that we are having a very powerful commission evaluate this to see if we are really doing that. I merely make the point that I am quite convinced that they are going to tell us we have to pay our men and women more.

I make that rather bold pronouncement because I feel confident it is going to happen. I am not interested in seeing more than the 12,000 military men and women who are already on food stamps. In fact, I am hopeful they will tell us how to get them off of food stamps and pay them what they are entitled to. That is not a large number,

you will be told, and our laws are strange on Medicaid and food stamps. But I believe that is not consistent with the pledge made when we decided to have an All-Volunteer Army. Just on its face, it is not consistent.

I also comment that many of the vehicles that the Air Force is operating under are extremely old. You recall, much is being made in the news today of a plane that is 27 years old. I think the plane that crashed was 27 or 29 years old. Many are suggesting that we better be careful when they get up there at that age.

Well, fighter aircraft, at this point, are as follows: In 2001, the Air Force pilots will be flying aircraft 15 years old, on average. This means that some of those aircraft will be 30 years old. I do not know what that means, but I have been led to believe that is getting pretty close to critical time. If it is critical on the civilian side, and if we do not want to have 30-year-old planes on the civilian side, I do not think we want a lot of our men and women in the military flying 30-year-old aircraft. We do not have any big money in this budget, nor did the President put any in, to have a systematic approach to ameliorating that situation.

I could go on. Squadrons of airplanes are shrinking. They used to be 24, and we are down to 15, in many cases, and even 12. So we have more sites for them but fewer airplanes. I understand we do not want to close down installations, but, obviously, the cost of maintaining and operating smaller units like that is very, very high in comparison to larger units. Ultimately, something will be done about that.

Now, I want to close with this. Once again, so there will be no misunderstanding, I have nothing but the highest respect for the distinguished Senator from Iowa, Senator Charles GRASSLEY. He is consistent. He believes what he says, and he works at it. He believes firmly in this position. I understand how he feels and what he is thinking. But I believe that in this case it is too risky; it is too risky for our men and women and our national defense to allow this amendment to pass. And I hope it does not.

Mr. EXON. Will the Senator yield for a question?

Mr. DOMENICI. Of course.

Mr. EXON. Mr. President, I would like to ask the chairman one thing about the chart that is up here. The 1987 that he referenced there is some kind of a benchmark. Is it not true that in 1987 there existed such a thing as a very powerful and threatening Soviet Union and a Warsaw Pact that is not here today?

Mr. DOMENICI. Absolutely.

Mr. EXON. I thank the Senator.

Mr. DOMENICI. I did not say we cut it just to eliminate waste. I said it has been cut. For those who say it is always increasing while domestic is not, I just want to say it has been coming down for 1 decade. That is all.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I want to yield 5 minutes to the Senator from Illinois.

He also would like to be added as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, might I inquire? Can I then ask that following in sequence Senator HUTCHISON from Texas have 5 minutes and Senator COHEN from Maine have 10 minutes in that order?

Will the Senator have additional speakers?

Mr. EXON. We will have additional speakers.

Mr. DOMENICI. Senator KYL and Senator INHOFE.

How much time does the Senator desire?

Mr. INHOFE. Four minutes.

Mr. DOMENICI. Can we agree on 5 minutes for Senator INHOFE?

Will Senator HUTCHISON control time for me for the next 15 minutes?

Mrs. HUTCHISON. Yes.

Mr. DOMENICI. I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I first want to commend my colleague from Iowa. As Senator DOMENICI said, through the years we have to be more prudent in defense spending.

I am for this amendment for two reasons: One is it reduces the deficit.

Some of us on this floor right now are members of the Budget Committee. Let me tell you without a constitutional amendment to require a balanced budget the 7 years that both sides are talking about will not result in a balanced budget. We put all the tough decisions off to the end. Not all of them but most of them. So we are not going to achieve a balanced budget without a constitutional amendment, and this at least moves in the direction of reducing the deficit.

Second, I am for it because the budget as it is constituted has an imbalance. What the Grassley amendment does is gives the Defense Department \$3 billion more than they requested.

Frankly, if I were to put the budget together—for example, in yesterday’s New York Times is a story, “U.N. Says North Korea Will Face Famine as Early as This Summer.” And in today’s Washington Post it says “No Help Set for N. Korea.”

I do not think that we ought to be using hunger as a political tool. I think we would be much smarter saying we want to help feed people who are hungry whether they are Communists, anarchists, or what their background.

Mr. President, I ask unanimous consent to put these two items in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 15, 1996]  
NO HELP SET FOR N. KOREA

(By Mary Jordan) Washington Post Foreign Service

TOKYO.—Reclusive North Korea will not receive any immediate new shipments of rice or other food from the United States, Japan or South Korea despite new reports of widespread malnutrition there.

"With respect to food aid and [the easing of economic] sanctions, we have no plans at this time to go forward," said U.S. Assistant Secretary of State Winston Lord, concluding two days of talks with top Japanese and South Korea officials over what policy to adopt toward the deteriorating north. "We will keep the situation under review."

The three countries issued a joint statement saying they agreed to continue efforts to persuade the North to accept four-nation peace talks proposed by Washington and Seoul last month.

The three-nation talks, held on the South Korean island of Cheju, again pointed out the difficulty these three allies have maintaining a united front to deal with the Communist regime in Pyongyang. The issue of food aid is seen as critical because some experts believe an increasingly hungry North Korea could opt to use its 1.2 million-man army to end its crisis in a hail of missiles and bullets.

Others argue that offering help only rewards the missile-exporting nation, Senate Majority Leader Robert J. Dole and others have criticized President Clinton for "coddling" this Stalinist regime whose military threat keeps 37,000 U.S. troops on its border.

Generally, the United States has favored sending food aid to ward off an immediate crisis. Even in the last few days, U.S. Ambassador James Laney and State Department spokesman Nicholas Burns indicated that the United States was considering new aid and easing sanctions.

U.N. food aid officials Monday issued fresh alerts that "food stocks are critically low," that there is "no further food assistance in the pipeline" and that peasants' rations are being cut in half.

The United States has enforced economic sanctions against North Korea since the end of the Korean War in 1953. But it has also donated more than \$2.2 million in aid since floods last summer exacerbated the food crisis in the crumbling state, which lacks heat for homes and cash for imports.

South Korea, whose capital city, Seoul, lies minutes away from the missiles that North Korea has aimed at it, sees the situation differently. South Korean officials oppose food aid because they say the military will likely divert the food for its own stockpiles. They also doubt the severity of the hunger. An official in Cheju today said that although the food shortage is serious, he did not think it would lead to an "African-style famine."

The chief Japanese delegate, Deputy Foreign Minister Shunji Yanai, told reporters at the end of the talks that at the moment Japan had "no plans to extend food assistance." It had earlier sent 500,000 tons of rice. But Japanese officials have also indicated they might pursue a more independent dialogue with their unpredictable neighbor.

Lord stressed the need for talks involving the two Koreas, the United States and China to hammer out a formal peace treaty to replace the armistice that ended the 1950-53 Korean War.

Lord, Chung and Yanai agreed that such talks had the best chance of achieving stability on the Korean peninsula.

Beijing has not committed itself to the proposal, first suggested last month by President Clinton and South Korean Presi-

dent Kim Young Sam, but has indicated it would back the move once North Korea accepted.

North Korea, which until now has refused to discuss a peace treaty except in bilateral talks with Washington, a condition rejected by Washington and Seoul, has not agreed to the proposal.

Shortly after a similar conference among the three nations held in Hawaii earlier this year, the United States gave \$2 million in food assistance to North Korea. Since then, there have been some encouraging signs in the U.S.-North Korean diplomatic relationship.

Just in the past few days, the two countries reached a breakthrough agreement that will allow the first joint effort to recover the remains of U.S. soldiers unaccounted for since the Korean War. More than 8,100 servicemen are still missing, and many of them are believed to be buried in North Korea. The recovery effort could begin before the end of the year.

[From the New York Times, May 14, 1996]

U.N. SAYS NORTH KOREA WILL FACE FAMINE AS EARLY AS THIS SUMMER

(By Nicholas D. Kristof)

TOKYO.—Hunger in North Korea is growing more intense as the country's economy continues to deteriorate, so that malnutrition could become widespread in the coming months, some experts say.

In the latest sign of the country's crisis, the World Food Program and the Food and Agriculture Organization of the United Nations warned today that "the food supply is becoming increasingly desperate" in North Korea, and that without emergency food imports, "the consequences are likely to be devastating for large segments of the population."

In their statement, the two agencies said that the situation had deteriorated just in the last few months and that the shortages were likely to grow worse this summer.

"There are some cases of malnutrition, but it is not widespread at this time, as far as we can tell," Trevor Page, the country director for the World Food Program, said by telephone for the organization's office in Pyongyang, the North Korean capital. "However, with levels of rations that are now being distributed, malnutrition will develop and become widespread in the coming months unless there are substantial food aid shipments."

North Korea, with the world's last Stalinist government, remains virtually sealed off from the rest of the world, and few foreigners are allowed to visit. But many Western diplomats, business executives, academic experts and visitors to the country say there are growing signs that the economy is deteriorating.

Even in Pyongyang, which has by far the best standard of living in the country, visitors say that power outages are now routine and that water is often cut off for much of the day.

Some Western diplomats and military officials worry that North Korea's economic crisis could make it unpredictable or even lead it to attack South Korea and the American forces stationed there.

North Korea, with a population of about 24 million, was the better-endowed part of the Korean Peninsula when Japan ended its occupation in 1945. The North has a wealth of minerals and other natural resources, but it has been hobbled by its rigid Communist model, by huge spending on its 1.2 million-member armed forces, and by the collapse of trading partners in the former Communist world. Now many North Korean factories are idled by lack of oil and electricity, and col-

lective farms are returning to draft animals because there is no fuel for tractors.

The American Ambassador to South Korea, James T. Laney, warned in a speech on Saturday of "serious risks," including the possibility that "the North may look for other ways of using the only remaining asset it possesses which commands international respect—its military might."

In a speech that seemed to signal a shifting direction in American policy, Mr. Laney suggested that the old approach of simply emphasizing deterrence against North Korean attack was no longer sufficient. Now, he said, deterrence must be augmented by inducements to get North Korea to cooperate with the West.

Senior officials from the United States, Japan and South Korea are now meeting in South Korea to discuss policy toward the North. Diplomats say that they are expected to agree on an assistance plan on condition that the North agrees to President Clinton's proposal last month for four-party peace talks involving both Koreas, the United States and China.

North Korea's economy has been deteriorating for years and was further devastated by widespread flooding last year. Rations have already been halved, and experts say that some peasants are eating bitter wild grasses and roots that have not been part of the diet since 1951, during the Korean War.

But one such emergency food, a grass called naengi, stops growing this month and so will be unavailable in the crucial summer months, until the next grain harvest is ready in the fall. This year's harvest is also expected to be poor, because bad weather delayed planting by about two weeks.

Experts say there are other signs of economic desperation, including the sale by peasants of anything they have—even human hair—to China in exchange for wheat flour. Russia is said to have cut freight train service for lack of payment of bills, and that may complicate North Korea's trade picture.

Most staple foods are distributed in North Korea by the Government, but the alert today said that this system "is perilously close to collapse." Moreover, foreign assistance—which eased the shortages over the winter—is coming to an end.

Foreign shipments averaged about 50,000 tons of grain a month since late last year, but plunged to 12,200 last month and an anticipated 9,300 this month. Next month, 2,500 tons are anticipated, and the nothing is in the pipeline.

Some North Korea watchers have suggested that the hunger could lead to a revolt or to the disintegration of the system, and there have indeed been a growing number of North Koreans who risk being shot by sneaking across the border into China. But visitors say they have seen no sign of political unrest in North Korea, perhaps the most tightly controlled society in the world.

"Although food shortages are all over, there are no signs that this will cause the political collapse of the country," Mr. Page of the world food Program said.

The food shortage in North Korea may become perennial, experts say, unless the rigid Communist economic system changes dramatically. The Government appears to be bending its rules a bit by turning a blind eye as peasants plant larger private plots than they are allowed or sell food in informal markets in some parts of the country. Likewise, in the cities some residents are planting crops on spare bits of land or raising chickens on their balconies. But North Korea has given no indication that it is contemplating any major opening.

Another problem for North Korea may be declining cash transfusions from ethnic Koreans living in Japan. Nicholas Eberstadt, a

scholar at the American Enterprise Institute in Washington, has concluded that the transfusions were never as great as widely believed and have plunged since the late 1980's.

Mr. SIMON. Mr. President, let me point out what is happening in defense spending.

Here is the United States. Here are the next five countries in defense spending: Russia, Japan, France, the United Kingdom, and Germany. We are spending more on defense than the next five countries combined. The cold war is over, as Senator EXON just pointed out.

Let me take you back to the year when Senator GRASSLEY and I came to Congress, fiscal year 1975. Do you know what the defense budget was then adjusted for inflation? It was \$234 billion, \$32 billion less than we are requesting here. Then we faced the nuclear confrontation with the Soviets. We had a war in Vietnam, as my friend from Iowa will remember. We had all kinds of challenges. Today we do not need to spend anywhere near this amount.

If we were to cut the defense budget in half—and I do not advocate that—but if we were to do that, we would still be spending appreciably more than any other country on the face of the Earth. A little prudence as this amendment suggests is just common sense.

I hope the Senate will listen to our friend from Iowa with his amendment. I am proud to be a cosponsor of it. I think it makes sense fiscally. I think it makes sense from the viewpoint of what we ought to be doing in the defense area.

So, Mr. President, I rise in strong support of the Grassley amendment, and I hope there will be enough Senators who say let us look at our real needs. Let us look at our deficit situation. The Grassley amendment logically ought to be overwhelmingly supported. I know that is not going to be the case. If we win it will be by a narrow vote. But we ought to vote for the people of this Nation on this next vote. And I think that is a vote for the Grassley amendment.

I yield back the balance of the time to Senator GRASSLEY.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I respect Senator GRASSLEY very much. I respect Senator SIMON, and Senator EXON. But I serve on the Armed Services Committee, and I think they are wrong on this issue.

In fact, let us cut to the chase. We are not talking about allowing the President to come back in and certify that he needs more money. The President has said that he does not want the money. His budget came in \$11 billion lower this year in real terms than it was last year, and that was after telling the American people in his State of the Union Message that he did not think we should cut defense spending any more.

Mr. President, we have had testimony before the Armed Services Committee from every single high ranking military and civilian official in this administration; the President's own administration. Every chief of every service has said we cannot continue to train our forces and modernize our forces if we do not have the money to do it. This is the 12th straight year of declining defense spending; the 12th straight year. Weapons procurement is down 70 percent since 1985.

It is proper after the cold war that we would draw down our military spending. But, Mr. President, we have gone far enough. If we maintain keeping the funding level that Senator GRASSLEY is suggesting that we cut, the \$8.3 billion, what would it take away from our Armed Forces? What would it do to us?

First, it would stop the increasing modernization that we must have as we are drawing down our force numbers. It is essential that we have the modernization, equipment, and technology to make up for the smaller numbers of people that we will have in the field. That is what the drawdown requires if we are going to be able to fight and win two simultaneous major regional conflicts. We must have the technology and the equipment to do it.

It will pay for an improved quality of life for the men and women who risk their lives to serve our country. We are asking for a 3-percent pay raise for our military; 3 percent. These are the young men and women who volunteer to fight for the freedom and independence of our country. We must assure that they have a better quality of life that demonstrates to them that they have the complete support of the American people.

We will also not be able to increase our commitment to counter the ballistic missile threats; the threat of ballistic missiles launched at our country. The Secretary of Defense testified that we do not have a defense to ballistic missiles fired at the United States. He said that this year. The Secretary of Defense, himself, thinks that we need to go forward with the technology for a ballistic missile defense for our country. At least 30 countries throughout the world have ballistic missile technology and capabilities. Many of those have nuclear, biological and chemical weapons capability as well. So, of course, we ought to be able to defend our shores, or any of our troops in the field against incoming ballistic missiles. Yet, if you cut \$8 billion that Senator GRASSLEY wants to cut, we will not be able to go forward in that technology.

Mr. President, we should have learned a lesson from our experiences in previous wars. That is what history is for—to teach us lessons. We should learn the lesson of the Korean war. We should not forget the lessons of Task Force Smith, when we had drawn down our forces after World War II, and we did not have the equipment and the

training going into the Korean war, and Task Force Smith was a unit that was rushed into combat in the early days of the Korean war and were obliterated by the North Koreans. They were brave soldiers who fought courageously but because they were not equipped with up-to-date equipment and their training was woefully short they suffered terrible casualties. We cannot forget the sacrifice of those who died in Task Force Smith and now once again repeat those same mistakes today by undercutting the ability of our troops in the field to have the equipment and the training and the technology they need to do the job when they signed up to protect our freedom.

We saw in Desert Storm an almost perfectly executed war, but we had almost 6 months to prepare for that war. Our enemies will not always give us 6 months to prepare for a war. They saw what happened to Saddam Hussein when he did that. So when you talk about cutting \$8 billion out of our defense budget, you are talking not about fat; you are talking about muscle and bone. You are talking about cutting the critical support for our military that we must continue to provide if we are going to maintain the strength of our military.

As President Reagan once said, we got peace through strength. Being weak and unprepared and technologically inadequate is not what America is about. If we are going to have the greatest nation on Earth and the last superpower status on Earth, we must have the equipment and the technology and the upgrading to do the job. So cutting our military budget to the level that the President asked for is certainly not going to do that.

I implore my colleagues to look at the big picture and to remember the lessons of Task Force Smith. Let us not let the deaths of those brave men go unheeded. Let us keep our freedom and our strength, and let us keep our commitment to our troops in the field for a quality of life and let us have a ballistic missile defense for our country going into the 21st century.

Now, Mr. President, according to the previous order, I yield 10 minutes to Senator COHEN.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, I was interested in listening to the comments of my colleague from Illinois when he held up several press accounts that the North Koreans may be heading for starvation, and so the solution, I suppose, is to send food.

Mr. President, the North Koreans would not be headed for starvation if they were spending less on weapons, less on putting half a million people right on the DMZ, having 1.2 million under arms, and doing more to grow food.

So the word ought to be to the North Koreans, "Make food, not war." Yet we are being called upon here for us to

now feed the North Korean Army, because that is where the food is going, it is not going to feed the general population.

Let me suggest to my friends who now would adopt the policy of send food and not prepare for defending South Korea that the North Koreans have not been responsive to date to these sorts of gestures. We have been sending them fuel oil so they would not go forward and build a nuclear weapons capability, and now we are being told they are on the verge of starving, so, therefore, we must cut back, we must in fact trim our procurement needs in order to accommodate the needs of the North Korean people whose military regime continues to spend them into bankruptcy.

It was also suggested with a chart over there that there are some five countries that we spend more in defense than the total of these five countries. Well, which countries are they? Is it Russia? Is it China? Can anyone on the Senate floor tell me how much China spends on their military? Can you tell me how much Russia spends for its military? If any of you can even establish that in nominal terms?

Would you like to compare what it costs the United States taxpayer to acquire a fighter aircraft from McDonnell Douglas versus the Chinese Government?

Mr. President, there is no sense in trying to compare our expenditures to those of five countries when we cannot even identify the true costs of what those countries are spending. Assuming that you could, are we going to take the position in the Senate that we now would like to see the Japanese, for example, increase their defense spending so they can assume a greater responsibility in the field of seapower, and extend their seapower capabilities throughout that region?

Do we want to see Germany, for example, have a much greater expenditure in defense to adopt much greater responsibility than they currently have? Are we willing to see that our stabilizing presence throughout the world should be diminished with all the consequences we have seen during the history of warfare during the 20th century; that every single time the United States has cut back and cut back and cut back we have seen the seeds of future wars sewn?

Mr. President, it has been talked about here of how the peak of spending has gone down over the past 10 years. I have a chart here as well that can show very clearly how it has dropped significantly since 1985—70 percent.

We think back to our capability in World War II. I ask this question frequently: How many ships did we have during World War II? Take a wild guess. Five thousand warships. How many are we headed for today? Three hundred forty-six.

Bismarck indicated that there are only two things that do not change in life. One is history and the other is geography.

We still are required to sail the same seas. We still are required to defend this country's interests globally. That has not changed. So we now are required to cover the globe with our sea power capability with 346 ships, not 5,000. Indeed, these 346 ships are more capable than those 5,000 we had in World War II, but we have to continue to modernize them.

The fact is we are operating them at a greater operational tempo. They are wearing out faster. So what we are asking our young men and women to do is to sail in ships that are operating at a higher tempo, that are wearing out faster, that need replacement, need repairs, and we put their lives in jeopardy because we are cutting back and cutting back.

We are doing so in contradiction to what the President promised. This is what is most ironic. For years, the administration has been telling us that the procurement budget is going to turn around. Just wait until next year. It is sort of like us in New England; we keep saying about the Red Sox: Next year we are going to get the pennant. Just wait one more year.

That is precisely what has been said about the defense budget: Next year it is coming. We know it is going to an all-time low. It has to come up because we are sacrificing our qualitative edge here, folks, so it has to come up. Two years ago, Secretary Perry testified, and I am going to quote:

We cannot sustain these low levels of procurement for long, and we are projecting an increase beginning next year, fiscal 1996.

Mr. President, it did not happen. Last year, the Clinton administration said that the upturn in the procurement budget will begin next year, in 1996. Now they say that it is not going to happen. Last year, the administration said it was going to be requesting \$44 billion in fiscal 1997 for procurement. We got the budget, and it was 38.9 for procurement. Now here we go again. The administration says the procurement upturn is going to start next year, fiscal 1998. So we were promised in 1996. They broke the promise. We were promised in 1997. They broke the promise. Now they say wait, just hold on; if we can just get to 1998, it will start to upturn.

Mr. President, when is that going to happen? The reason we are here, the reason we have added this funding for our defense capability is that we cannot rely upon empty promises. We have had military adviser after military adviser come forward and say, "Yes, we support the President's budget," but when pressed, "Yes, we could use a little bit more."

Let me just quote something else for you. Last fall, General Shalikashvili, Chairman of the Joint Chiefs of Staff, began banging the drum pretty loudly for a ramp up in procurement, saying we need to get the procurement budget up from this year's \$42 billion to \$60 billion by fiscal 1998.

If you started reading the trade press accounts in the last couple of months,

you would have seen a series of articles quoting General Shalikashvili and other senior officials saying maintaining our military edge depends on achieving \$60 billion in procurement by fiscal 1998. Yet, the President's budget calls for procurement spending in 1998 essentially unchanged from this year and not reaching the \$60 billion mark until after the turn of the century.

So, all told, this year's budget calls for \$26 billion less for procurement over the next 5 years than the Department of Defense said just last year that it needed.

So, Mr. President, the reason we are here in opposition to this amendment is that we cannot afford to take the chance, we cannot afford to put the lives of our young men and women on the line with equipment that is wearing out, wearing down, and needs to be replaced. That equipment needs to be kept up to the best level that we can possibly maintain it.

When the call comes to go to Bosnia, we are the ones who have to go over there with the best equipment. When the call came to send two aircraft carrier battle groups over to Taiwan, when the Chinese were threatening with missiles headed toward Taiwan's territory, we were the ones who sent two aircraft carrier groups over. Every time there is an emergency that affects our interests or that of our allies, we are the ones who are called upon. Do we send our people over with deficient equipment or marginal equipment? No, we say we send them with the best. We are not going to put our people in harm's way under circumstances that put them at a great disadvantage.

Mr. President, we are asking that we reject this amendment. We think it is necessary to begin the procurement, not next year and not in fiscal 1998, but now. This is a commitment that was made by the Clinton administration 2 years ago. It was not kept. It was made again last year. It was not kept. This year we intend to see that the commitment is adhered to.

Mr. President, I ask our colleagues to reject this amendment and that we do so with an overwhelming vote.

I yield the floor.

The PRESIDING OFFICER (Mr. ABRAHAM). Who yields time?

Mr. COHEN. I yield 5 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. I thank the Senator for yielding. I also rise to oppose this amendment. I have to ask the question, what is this obsession that we seem to have around this place for cutting the military, for putting ourselves in a defenseless posture?

I am just shocked every time this discussion comes up, and hardly a day comes by when there is not talk about this. It is interesting that a President who ran on a balanced budget, ran on a strong national defense, ran on all of these things, wants to cut only defense. He has increased spending in every

other program. The only area where he has suggested, in his budget, he wants dramatic cuts is in defense.

When he promised, prior to the 1994 budget, that he was going to ask for \$62 billion, he ended up asking for \$48 billion. For the 1995 budget, he promised he would ask for \$55 billion and he only asked for \$46 billion.

The Senator from Maine talked about the various missions that are taking place around the world today. I opposed it even back during the Republican administration, in December 1992, when we sent troops to Somalia, even though they sent them over for 90 days and they did not come back until after 18 of our troops were murdered and their corpses were dragged through the streets of Mogadishu. I opposed sending troops there then. I opposed sending troops to Bosnia. I opposed sending troops to Haiti. Not because I am not compassionate, not because I am not concerned for the plight of these people all around the world, it is just we do not have the military assets to go out and take care of all these social problems around the world and be able to defend ourselves.

So I think we have a twofold problem here. We are dramatically reducing, year after year after year, our military budget, and at the same time we are taking on additional responsibilities. Currently, we have more troops deployed around the world than we have had at any other time that is supposedly nonwartime, and we have taken huge cuts in our defenses. Since 1985—this is 12 years—for 12 consecutive years we have taken cuts in our Nation's defense.

What makes it even worse, it was pointed out by the Senator from Maine, our defense spending has fallen 41 percent since 1985. It is really worse than that, because procurement has dropped 72 percent since 1985. So, if overall defense spending has dropped 41 percent, procurement 72 percent, that is where the modernization is, that is where the new equipment is, that is where the accounts are that make us competitive. We have watched, year after year—1985, \$405 billion using 1997 dollars, down to roughly \$250 billion. We cannot afford any more cuts.

One of the things that has been stated is that the Pentagon did not make these requests. It is interesting, I heard not more than a month ago when we had testimony before the Senate Armed Services Committee—it was also before the House committee—that we had the four Chiefs all in agreement that we have to have an additional \$20 billion in our readiness account in order to be competitive. Yet, that is the first time I can remember in my recollection of American history when the Chiefs themselves came out and said, "No, the President is wrong. We are sorry. He is the Commander in Chief, but we are the ones responsible for protecting America, and we are not able to do it."

Look what has happened. You want to talk about administrations? During

the Democratic administration of 1961, President Kennedy, in the percentage of the total budget, 50 percent was for defense, 16 percent for social spending. Now it is just reversed: 17 percent for national defense, 60 percent for social spending.

The areas where we are going to be suffering are the very areas that affect our troops that are in combat situations—preparing for combat situations—quality of life, black boxes for aircraft. Time and time again I get in 141's and 130's and I look down there—I have been a commercial pilot for 40 years, and I look down and see they actually have equipment I have not seen in 20 years. We are sending our people out without GPS's, a very inexpensive piece of equipment. It is because we are cutting down those procurement accounts to a level that we are not going to adequately take care of those individuals who are in the field.

I would just make one more comment about what has been said over and over again on the floor. It was said most recently by the very distinguished Senator from Illinois, that this amendment is still \$3 billion more than the Pentagon requested. All I can say is, I hope all of America knows—certainly we know in this body here—that the President speaks for the Pentagon. He is the one, and they carry out his orders. But when you stop and ask the Joint Chiefs of Staff, or the Chiefs of the services—I will quote right here, "Unless we recapitalize"—I ask unanimous consent for 2 additional minutes.

Mr. DOMENICI. Could the Senator use 2 more minutes? I yield 2 more minutes to the Senator.

Mr. INHOFE. "Unless we recapitalize, we are not going to be ready to meet the threats of the future." That is the Chief of Staff of the Air Force, Ron Fogelman, March 14, 1996.

In the same meeting: "If we do not modernize, we ultimately place future readiness at risk." That was Adm. Michael Boorda, same meeting.

"Further deferral of modernization will incur significant risks to future readiness." This is Gen. Dennis Reimer of the U.S. Army, March 13, 1996.

It is there. The Senator from Texas talked about another great problem, and that is the problem that we have cut back, as a result of the veto of the DOD bill last year, on our ability to defend ourselves from a national missile attack. We do not have a National Missile Defense System in place. Most of the people in America believe we have one, and when they find out we do not have one, it scares them to death. Why are they scared? Because such great people as Jim Woolsey, who was the CIA Director under two Democrat Presidents, said that currently we have a great threat out there. We know of 25 nations that have or are in the final stages of completion of a weapon of mass destruction, either biological, chemical, or nuclear, and are developing the missile means of delivering it.

So we are imperiled, Mr. President. We have a great deal to do to rebuild our defenses, to go back and take us out of the posture we were in in 1980 when we could not afford spare parts. What we are doing today is trying to get ourselves into a position where we have adequate spare parts, adequate procurement, so that our troops out there can be competitive with the others.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 30 seconds, and then I will change with Senator BUMPERS.

Mr. President, I say to Senator INHOFE that I just want to congratulate him on his remarks and on his steadfastness on the Armed Services Committee. I want to compliment you for the learning that has taken place in a very short period of time. Many Senators look to you for information on the Defense Department.

My accolades go out to you because I think it is clear that you are genuinely interested, and it shows. I want to just tell you we all understand it and appreciate it very much.

I do not know what the arrangement was. Would you like Senator BUMPERS to go next? We have had two or three of ours.

Mr. BUMPERS. Just for 5 minutes if the Senator from Iowa will yield to me.

Mr. GRASSLEY. Mr. President, I yield 5 minutes to the Senator from Arkansas.

Mr. DOMENICI. Mr. President, so that we will have things lined up, after his 5 minutes, could we go 10 minutes for Senator KYL and Senator STEVENS wants 10 minutes?

Mr. STEVENS. But I will be happy to wait for someone on the other side.

Mr. DOMENICI. If there are no Democrats, they can go in between and then we can go to Senator STEVENS. I ask that be the unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Arkansas.

Mr. BUMPERS. Mr. President I want to congratulate my distinguished colleague from Iowa for a very sensible amendment, one that ought to receive the unanimous approval of this body.

This budget contains just over \$500 billion in discretionary spending. I want my colleagues to think about this for a moment. We are looking at a total budget of between \$1.6 trillion and \$1.7 trillion and only a bit over \$500 billion of that is for discretionary spending. Under this budget, about \$265 billion of that is for defense. That does not leave much for programs that go to the very heart of the values of the country and the things that really make this Nation strong, like education and transportation. I can tell you that the number of explosions you can set off with weaponry is not necessarily related to the real strength of this Nation. I am always nonplused and puzzled when so many people jump

under their desks every time somebody mentions cutting defense. You can savage education, which this budget does, you can savage the environment, which this budget does, you can savage the programs that people depend on for their very livelihood, earned-income tax credits, and on and on it goes, you can deal with those programs and you can ask for a whopping tax increase for the wealthiest among us, but if you ask defense to take one single dollar less, everybody goes berserk.

Now, there are some politics in this. But I want you to remember that the amendment of the Senator from Iowa is well above the administration's request. There is not any reason why Republicans ought to join in lockstep to vote against this. It is well above what the President has requested for the Pentagon, it is well above what the Defense Department says it needs.

I heard the distinguished Senator from Texas a moment ago, a woman whom I admire and respect, saying that we just simply cannot weaken our defenses. I want to ask my colleagues this: Who are the enemies you are going to spend this money for? Who are they?

Mr. DOMENICI. I did not hear the question.

Mr. BUMPERS. Pardon?

Mr. DOMENICI. What was the question?

Mr. BUMPERS. The question is, who are the enemies against whom we must spend \$265 billion? Who are the enemies that we feel constrained to spend over \$1.6 trillion over the next 6 years to defend against? The Senator from Illinois, [Mr. SIMON], said a moment ago that we spend as much on defense in this Nation as the top five possible adversaries, including China and Russia. It is worse than that. We spend as much as the top 10, and if you add NATO, we spend almost twice as much as the top 10 and there is not an enemy in sight.

Mr. STEVENS. Do you want to yield on that?

Mr. BUMPERS. No, I am not going to yield until I finish.

Mr. STEVENS. All right.

Mr. BUMPERS. Then the Senator from Texas proceeded to talk about how weak we could become. I will tell you how you get weak. You get weak by paying interest on a national debt that we incurred during the 1980's when defense spending went from \$150 billion to \$300 billion in 8 years. If we had not been so foolish, we would not be fighting about a balanced budget these days. It is because of the interest on that staggering debt increase that we cannot balance the budget.

There is not anybody here that I will yield to on supporting our defense needs. I served 3 years in the Marine Corps during World War II, and I learned a little bit about defense first hand, and now I sit on a defense appropriations subcommittee. I know how it all works, and I know how it happens. But I can tell you, this amendment will

save the taxpayers of this Nation billions.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BUMPERS. Thirty seconds.

Mr. GRASSLEY. I yield 30 seconds.

Mr. BUMPERS. I have to admit that over the period of this budget resolution, there is a sum total of \$11 billion difference between the Republican budget proposal and this amendment—\$11 billion.

Mr. STEVENS. Will the Senator yield on my time?

Mr. BUMPERS. The President cuts back on defense spending now and the budget resolution cuts back on it later.

The PRESIDING OFFICER. The Senator's time has expired. Under the previous order, the Senator from Arizona is recognized for 10 minutes.

Mr. KYL. Thank you, Mr. President. I would like to respond to some of the challenges just raised by the Senator from Arkansas. They are good questions. They deserve a response, and I think we have the response.

Before doing that, though, let me pay a compliment to the Senator from Iowa for raising this amendment, even though I strongly oppose it. The Senator from Iowa cares very much about the spending of taxpayer dollars in this country, and he knows that there are some places in the defense budget where we could make savings, and he is right in that. But I believe it is also the case that if that money were to be cut, we would not make the savings in the places where they ought to be made, but rather would continue to cut on important research and development, on readiness and on procurement, on the things that we have to spend more money on, and that is why I will end up opposing the amendment of the Senator from Iowa.

I would like the attention of the Senator from Arkansas because he raised some important questions a moment ago. He said, "Who is our enemy?" Mr. President, the United States of America is now the only superpower in the world. We are the country to whom everyone else in the world looks to for protection, not only of themselves but for the democratic ideals that animate many countries' pretensions to become a part of the civilized world.

I just returned from a conference in Prague, the Czech Republic, in which Central European nations said to the United States, "Please continue to assist us to help bring us into the European Community, because we have the same basic ideals that you do." We cannot do that if we do not have a strong defense.

Who are our enemies? Well, it all depends. If we want to come to the defense of Kuwait, then our enemy in that situation is Iraq. If we want to protect Taiwan, then our enemy might be China. If we want to protect South Korea, then our enemy is North Korea. If we want to stand up to Qadhafi, then our enemy is Libya. If we want to stop the terrorism from coming from Teheran, then Iran may be our enemy.

The point is, there is not any other country in the world that everybody looks to to stop this kind of aggression than the United States of America.

Mr. President, I will never forget what Dick Cheney said when everyone was patting him on the back for winning the gulf war. Secretary of Defense Dick Cheney at that time said, "It wasn't Dick Cheney who won the war. It wasn't George Bush. It wasn't Norman Schwarzkopf." He said, "As great as they were, it wasn't even just our great troops that won this war. We won the gulf war because of decisions that were made by courageous members of previous administrations and previous Congresses 10 and 12 and 15 years ago to give us the weapons, the high-tech weaponry and to provide for the training of our troops," so that we would be prepared to win a conflict that nobody could have even predicted back then, could not even have predicted just a few weeks before the invasion of Kuwait, in fact, apparently was not predicted by anybody until the invasion occurred.

So the point is, Mr. President, you cannot say that until we have identified a specific enemy, in the sense that we have been attacked, we should not be spending money on defense. That argument is absolutely wrong. Dick Cheney was absolutely right. What he said is, "I hope that the decisions that I'm making as Secretary of Defense today will enable my successor's successor, maybe 10 or 12 years from now, to win a conflict that nobody today can predict but which, as surely as we're sitting here, will occur."

Mr. President, that is the challenge of all of us sitting in this body today. We cannot predict who the enemy is. But we have an obligation to provide for that basic research, that readiness, that procurement that we know will win the next conflict wherever it is. To those who say we are savaging education, savaging the environment, spending overall on those accounts has not gone down, has not gone up much, but it has not gone down.

Defense spending has gone down now for 12 straight years, the only department of Government where that has occurred. As a matter of fact, defense spending last year and this year will be less than we spent before Pearl Harbor. Either as a percentage of the Federal budget or as a percentage of gross national product, we will be spending less on defense than we did the year before Pearl Harbor.

Now we are the only acknowledged superpower in the world. We are the country that everybody else turns to. Before my time is out, Mr. President, let me simply note that there are numerous reports, statements, pieces of testimony from representatives of the administration who say that we are already spending too little. If we were to cut the Republican committee request even further, as our friend from Iowa is suggesting that we do here, we would be setting our procurement program

back by years and we would not be in a position to win that kind of conflict of which I spoke.

One of the people who I think we should rely upon here is the Chairman of the Joint Chiefs of Staff, General Shalikashvili. He stated in his 1996 Force Readiness Assessment report a little bit earlier this year:

As overall defense spending has been reduced, permanent accounts have been the bill payer for other readiness-related spending. We can no longer afford to push procurement into the outyears.

Specifically with regard to the spending and the amounts, General Shalikashvili summarized the situation this way:

We are now fast approaching the time when we will no longer be able to rely on what we built in the 1980's, and so we must commit ourselves to a sufficient procurement goal, a goal I assess to be approximately \$60 billion annually, if our force is to remain as ready tomorrow as it is today.

Mr. President, despite General Shalikashvili's assessment, the administration's 1997 request devotes less than \$40 billion to procurement spending, less than at any time since the Korean war. What that means is, we are still going to be \$20 billion short. Now the committee has added \$11 billion back. That is still \$9 billion short just with regard to procurement. If we were to adopt the amendment of the Senator from Iowa, we would be back to the point where we are at least \$20 billion short just in the area of procurement, according to the Chairman of the Joint Chiefs of Staff.

Without reading the statements made by other members of the Joint Chiefs and other representatives in the military, let me just summarize it this way. There is not anybody in the military who does not believe we could make good use of the money that the Armed Services Committee has put back in. There is a list here presented by each of the services that spends more than that amount of money. They would like to have it if they could.

They are good soldiers, following the Commander in Chief, who sent his budget up and said, we are not going to spend any more than the amount requested. But if you ask them, they will give you the list of things they say they need.

That is why I conclude again by answering the question of the Senator from Arkansas. We know who our potential enemies are. We know who we have to be prepared to defend against. What we are doing, in as best a way as we can, in the budget of the Armed Services Committee, in the authorization from the Armed Services Committee, is to request the minimal amount that we think we are going to need to sustain those requirements.

To go back to what Secretary Cheney said when he was Secretary of Defense: If we have the courage today to make the kind of decisions that people 10 and 15 years ago did that permitted us to be

able to win the cold war, and win the first hot war since then in Iraq, then we will be able to say that at the time that it counted we stood up and we did the right thing. We had the foresight, we had the courage, and we were willing to defend the position to spend the money necessary to fulfill the first and most important obligation of the U.S. Government, of the Federal Government, and that is to defend the people of the United States.

That is why at the end of the day I support the distinguished chairman of the Senate Armed Services Committee, Senator THURMOND, and the work of his committee in bringing forth their requests and respectfully oppose the amendment of our good friend from Iowa, Senator GRASSLEY.

The PRESIDING OFFICER. Under the previous order, the Senator from Alaska is now recognized for 10 minutes.

Mr. THURMOND addressed the Chair.

Mr. DOMENICI. Mr. President, I say to Senator THURMOND, the previous order has Senator STEVENS to speak for 10 minutes and then the Senator from South Carolina.

Mr. STEVENS. I am happy to defer to the chairman of the Armed Services Committee, if he wishes.

Mr. THURMOND. Go ahead.

Mr. STEVENS. Mr. President, I listened with interest to the proponents of this amendment. I spent this morning, as chairman of the Defense Appropriations Committee, in a classified session, meeting with members of the Department of Defense, uniformed members, considering what we do about replacing our fighter force. The F-15 will be 30 years old in 2003, Mr. President. We have a situation where, after the turn of the century, the C-141's and the C-5's will be retired. They will be retired. They also will be about 30 years old, one of them 30-plus years old. We have to find a way to replace them, too.

I find it interesting to listen to people who propose this amendment, because they are unwilling to take the step that would be necessary to accomplish what they want to do, and that is restore the draft. Over 60 percent of our money spent for defense, sometimes almost 70 percent, depending upon the year involved, goes to pay for the Volunteer Force, the best force in the world. It is the force of a superpower, but it is an expensive force. The remainder of the money goes for research and development, for acquisition of new systems.

What this amendment will mean is the people that have come to our committee already and said they want additions for this budget, they want things changed in the President's budget, they will not only be denied, but a series of things that are in the budget have to be taken out because the President's budget is not an honest budget.

It does not fund for contingencies, just as last year he did not fund for Bosnia at all. We have to find \$5 to \$6

to \$7 billion every year to pay for things this President has ordered that he spends out of the money that we provide for defense under his power as Commander in Chief.

But what we are doing right now is ignoring our duty as Members of Congress if we do not follow the Constitution, which says we must provide for the common defense. To provide for the common defense of this country requires that we make the investment now to be assured that in the next century we will be as successful as we were in the Persian Gulf war.

That Persian Gulf war demonstrated, as was just said by the Senator from Arizona, the wisdom of the decisions that were made in the 1970's and in the 1980's to acquire the F-15, to finance the Tomahawk, to produce the Stealth 117. All of those were possible because of the discretionary spending that was available then.

If the amendment of the Senator from Iowa is adopted, we lose our advantage, we lose our capability to invest in the future, to invest in the research and development that is necessary, or we have to go to a draft, we have to start drafting people. I joined Senator Goldwater in opposing the draft in peacetime. We brought about the end of the draft in peacetime.

We do not believe in drafting our people in peacetime. I hope we will never be forced to do it. But we certainly will be forced to do it if we adopt this amendment, because the testimony I heard this morning, as I said, in a classified session, demonstrates that we must have the money to invest in the systems that are being researched now, some of them in a development stage, so that we can have the systems to keep our country in a position of being No. 1 in terms of capability out into the next century.

Now, I do not know any way to do it if we constantly have erosion on this budget, as mentioned by the Senator from Arizona. There has been an erosion on the budget every year. When Jack Kennedy was President of the United States, 51 percent of the budget of the United States went to defense. It is nowhere near that because of the growth of entitlements, the growth in interest rates. We get a portion of the controllable expenses for defense. It is a sizable portion, but nowhere near what we need.

In terms of need, if we really defined need and came in here and asked for the replacement of all the systems that are aging, this budget would be much higher. It cannot go down, as was projected by the President, and maintain the defense of this country into the next century. We are not talking now. People ask, who is the enemy now? The enemy will be met with the investments we made in the 1970's and 1980's. For the next century, it will be the investments of the balance of this decade. To cut the investments means we weaken the United States in its ability to make commitments around the

world to protect our interests. I cannot get more worked up about anything than the continued demand that we try to defend this budget in terms of what is the threat now.

Look at Iraq. We had sitting Members of the Senate visiting Saddam Hussein about 5 months before he moved into Kuwait. Would anyone have come to the floor and when asked to define the threat, come up with Iraq, as we debated the bill, the year before that trip? I cannot define who is going to be the next country that we have to call an enemy.

I can say to the Senate that if this amendment is adopted—I can see the Senator from Massachusetts here—I can tell you the money will not be there for Patriot. It will not be there for Patriot, which is being upgraded to a new, better system than that which we had at the time of the Persian Gulf war. It will not be there for improving the Aegis system, which will provide area defense for our Navy.

I went with the Senator from Hawaii during the last recess to Hawaii and looked at some of the systems that are being tested now. They are just being tested, Mr. President. They are not capable of going into production yet. We went to classified bases and saw some of the things they are doing. They are very good. We have to have those systems to combat what is out there now.

Russia is selling arms to the world. So is France. Many of our people are selling arms out there. We talked about this problem that happened in the Persian Gulf war when we found systems our allies were using were in the hands of Iraq at the same time.

We have to design and produce and deploy systems that are capable of meeting any challenge that you can conceive now, in the next century. The difficulty is, some of the challenges we face we might not be able to conceive. So we continue our research. We continue our basic research to develop new systems to defend this country's interests.

I think if we do not have the money called for in this budget—and I congratulate the Senator from New Mexico for his wisdom in putting it out—we will face a series of reductions in our effort before the turn of the century.

The Senator from Arkansas says, "Look at the budget. The President's budget is just \$11 billion different from the budget that the Senator from New Mexico has presented over the 6-year period." That is true. That is true. But if you want to look at it in terms of defense, it declines continually until the year 2000. What is the year 2000? The end of the next Presidential term.

What happens in 2001 and 2002? Miserably, substantial funds are ready for defense; more money than cut in the last 5 years is ready for the Presidency, starting in 2001. Is that not a miracle? A real miracle. Whoever is President in 2001 will have to have a new monetary system to finance what

is proposed in the President's budget for defense. It is a false, phony budget. We need to correct that now.

We cannot have a decline in defense over a period of 4 more years and expect in 2 years, magically, after the turn of the century, we will have an enormous increase in spending. That is false. It is fake. You cannot rely on it. You cannot rely on it in terms of the defense of this country and our interests well into the next century.

I will say in terms of the comments made by the Senator from Arkansas, we have some very basic differences even when we look out into the future, because I want systems that will be capable of meeting those threats that we can project now through analyzing what we know other countries are doing.

My area of Alaska is adjacent to the north Pacific. Six of the seven largest armies of the world are active in the Pacific region today, Mr. President. If you look at the national intelligence estimate, it says the continental United States does not have any threat for missiles for 15 years. Senator INOUE and I say: What about Alaska and Hawaii? Well, that is another thing. North Korea and Iran have missiles that can reach our States now, and the President wants to ignore the missile defense systems of this country.

I say defeat this amendment and get back to the business of restoring the capability of our military well into the next century. That is what this amendment is all about.

Mr. WARNER. Will the Senator yield?

Mr. STEVENS. I have no time.

The PRESIDING OFFICER. The Senator from New Mexico has control of the time.

Mr. DOMENICI. Have we agreed on the order of any others?

The PRESIDING OFFICER. No. The unanimous consent has expired.

Mr. DOMENICI. Let me say to Senators, any Senator that wants to speak on the defense amendment on our side, and I think I am speaking for your side, we want to try to vote here early in the evening, not late in the evening. If they could let us know if they want to debate so we can start allocating enough time.

Senator EXON is here and is willing to take that up with his side. Senator GRASSLEY has 20 minutes left.

Mr. GRASSLEY. I promised the Senator from Massachusetts I would give him 4 minutes, but while I am standing here and have the floor, I will say I hope that if you are going to take time off of your bill, that Senator EXON would take time so we could have equal time on my amendment—if there is time coming off the bill after our time runs out.

Mr. EXON. The Senator from Iowa made a point that I would like to make. Everyone wants to know when we will vote. We have 21 minutes left on the allotted time.

Mr. GRASSLEY. I was not planning on going over.

Mr. EXON. It all depends on how much time you continue to yield in excess of the amount that was allotted to your side of the debate. We are not going to sit here and let you keep yielding time and then beat you over the head because you do not have a vote. We have 21 minutes left under the original agreement by the Senator from Iowa. I hope we intend to use that time, but no more. I will yield time off if you are going to continue to yield 10 and 15 minutes to people to speak against it. All I am asking for is fairness.

Mr. DOMENICI. Senator, it may be fair. If we need more time, you can have more time. That is fairness. We have Senators that want to speak on this amendment. We will accommodate them. There is a lot of time on this budget resolution. We will accommodate you. How much time has the majority used in opposition to the Grassley amendment?

The PRESIDING OFFICER. The majority has used 62 minutes.

Mr. DOMENICI. I have three additional speakers on our side. The chairman of the Armed Services Committee, how much time did you want?

Mr. THURMOND. Mr. President, 7 or 8 minutes.

Mr. WARNER. Mr. President, 5 minutes.

Mr. DOMENICI. Mr. President, 5 for the Senator from New Mexico, so we need 20 additional minutes. Also, Senator COHEN wants 6 minutes, so we will need 30 minutes on our side.

Senator EXON, however you want to handle it, if you want to use 30 more minutes.

Mr. EXON. If we are not going to go over that, we would allow you to continue, but it is we who are trying to expedite the matter. If Senator GRASSLEY controls the time, and, as I understand it he has 21 minutes left, if we have now reached an agreement on how much time you are going to continue to yield, I say to the chairman of the committee, then we might be able to hold to our side to 21 minutes, which I point out gives your side considerably more time in opposition to the amendment than the time we are using in support of it.

Mr. DOMENICI. Maybe, for the benefit of all the Senators, not just those on the floor, we can reach an agreement. If we need 30 minutes and the Senator has 20, if we extend that to 30, that would be an hour. Could we plan to vote at 7 o'clock? I think your side desires that. Or maybe we can make it 6:50. That is an hour. You get half an hour and we get half an hour.

Mr. KERRY. Reserving the right to object, and I will not object, I would like to inquire. Was there an order of speaking being asked for, or might we have an alternative process here, seeking proponents and opponents?

Mr. DOMENICI. We are going to work it out as fairly as we can. We do not intend to keep anybody here. Other Senators have been waiting a long time. If

we can get the hour locked in, a half hour each, Senator EXON and I can work out the order.

I ask unanimous consent that there be 1 hour, equally divided, on the GRASSLEY amendment, after which we vote on or in relation to that amendment, and that we control 30 minutes, and Senator GRASSLEY and EXON control the other 30 minutes.

Mr. EXON. Does that include the 21 minutes Senator GRASSLEY has remaining?

Mr. DOMENICI. Yes; a total of 1 hour, and at 6:50 we would vote.

Mr. EXON. What the Senator is saying is that although you have used more time than we have, you want to divide the remainder of the time equally?

Mr. DOMENICI. Yes.

Mr. EXON. I object.

The PRESIDING OFFICER. Objection is heard.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa, [Mr. GRASSLEY], is recognized.

Mr. GRASSLEY. Mr. President, I yield 4 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. DOMENICI. Will the Senator from Massachusetts yield me 10 seconds?

Mr. KERRY. Yes.

Mr. DOMENICI. Mr. President, I ask unanimous consent that following the Senator from Massachusetts, the distinguished Chairman of the Armed Services Committee be recognized to speak for up to 10 minutes.

Mr. WARNER. Reserving the right to object, I request that I follow the distinguished Senator from South Carolina with 4 minutes.

Mr. DOMENICI. I so request.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Following the Senator from Massachusetts, the Senator from South Carolina will be recognized for 10 minutes, followed by the Senator from Virginia for up to 5 minutes.

The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I rise to support the amendment of the Senator from Iowa, as a cosponsor thereof. I begin my comments by saying that, like most of us here, we all care enormously about the ability of the United States to carry out its responsibilities and to have a military that is second to nobody in the world. I believe we have that military, and I think that it is vital in the post-cold-war period to begin to make a tougher set of judgments about how we are spending money, what our priorities are within the military, to guarantee that the reforms that we are promised are delivered on, and to guarantee that we are making choices about technology that are totally connected to the nature and

definition of threat. I agree with the Senator from Alaska that nobody can say with specificity exactly which country will emerge, but we can make some pretty good judgments about what is happening in the world.

I have a chart here, and, regrettably, it is not blown up, but it does not take very much vision to see that there is only one significant bar on the entire graph. All of the others are very, very small compared to the expenditure of the United States in the \$260-billion-plus mark.

China is the next largest expenditure in the world, with somewhere in the vicinity—it is hard to figure out exactly—of \$30 billion-plus. So we have \$30 billion or so in China. The People's Liberation Army today is engaged in making CD's and engaged in pirating intellectual property in order to support the military. We know that their modernization program is not, by most intelligence analysts' determination, geared for expansionism. It is geared toward modernization. Most military intelligence analyst experts do not suggest that there is, at this moment, some enormous threat. We are supplying arms to Taiwan, and I think our combined threat with respect to Taiwan is fairly significant.

China is the first of those sort of potential adversaries—if we wanted to put them in that category—that comes even close in terms of the next expenditures. But before China, the next highest expenditures in the world are Russia, now an ally; France, an ally; Japan, an ally; Germany, an ally; Britain, an ally. After China, you go to Italy, an ally; Saudi Arabia, an ally; South Korea, an ally; Taiwan, an ally; Canada, an ally; India, an ally; Spain, an ally; Australia, an ally; Turkey, an ally; Netherlands, an ally; Brazil, an ally; Israel, an ally; Sweden, an ally; and finally you get to North Korea.

So you can look at all the potential threats of the world, and when you add the expenditures of all of our allies to the United States of America, you have to stop and say to yourself, "What is it that we are really preparing for in a post-cold-war world?"

Mr. President, if you look at the potential weapons of most of these potential threats, you look at Syria, or North Korea, or China. The relative difference between Iraq, prewar, and those countries' weapons today is not really that enormous. Iraq, prewar, had 338 combat aircraft and 700 tanks. Iran, today, has less aircraft and marginally more tanks. North Korea has significantly less aircraft and maybe 3 times as many tanks. But we saw what the military of the United States was able to do in a matter of hours, let alone days, let alone weeks. The notion that we have to be proceeding to invest at a rate that is commensurate with the pre-cold-war period is simply irrational.

So, Mr. President, I suggest that all the talk about the United States' military capacity being threatened by this

amendment is just talk. It has no relationship to the reality of the threat or to what is happening in the world. We in the U.S. Senate ought to make a tougher set of judgments about our military expenditures.

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, prior to my remarks on this bill, I commend the able Senator from New Mexico for the fine job he does on the Budget Committee, and especially his attitude and what he has done for defense.

I rise to oppose the Grassley amendment, which would reduce defense spending from the \$265.6 billion of the proposed budget resolution to \$257.3 billion. I understand that the amendment would, however, make additional funds available to the President if he certifies a requirement for such additional funds. This is an unprecedented approach and an unnecessary and inappropriate transfer of power and authority from the legislative branch to the executive branch.

Let me be clear, Mr. President. The amendment of the Senator from Iowa is really a nullification of 75 percent of the Budget Committee's recommended increase to the President's budget request. Why would the President, who has already submitted his budget request, certify to the Congress that he needs additional funds for quality of life, modernization or readiness programs? Further, if he did request additional funds, those funds would likely be for programs that have not been directed by the Congress. We must all remember that the Constitution gives the Congress, not the President, the power to "raise and support armies," and "to provide and maintain a navy."

Mr. President, I believe that the Budget Committee has acted wisely and prudently in recommending an increase to the President's inadequate request for defense.

In order to buy the same level of national security in 1997 as we did in 1996, we would have to spend \$273 billion. The President's request is \$18.6 billion below this. The budget resolution proposes to increase the budget for defense by \$11.2 billion; therefore, we are still \$7.4 billion below the fiscal year 1996 level of funding in real terms. Does the Senator from Iowa believe that our Armed Forces will be asked to do less in fiscal year 1997 than they did in fiscal year 1996? I ask him to answer that.

The question we should be asking, therefore, is not whether we should increase the President's inadequate budget request by a minimal amount; rather the question should be: What risks are we taking by not adding more? Our Nation's top military leaders answer that question.

General Shalikashvili, Chairman of the Joint Chiefs, says he is "very concerned that our procurement accounts are not where they ought to be."

General Reimer, Army Chief of Staff, says that "further deferral of modernization will incur significant risk to future readiness."

Admiral Boorda, Chief of Naval Operations, says "If we do not modernize, we ultimately place future readiness at risk."

General Fogleman, Air Force Chief of Staff, says that "Unless we recapitalize, we are not going to be ready to meet the threats of the future."

And General Krulak, Marine Corps Commandant, says that "The Marine Corps \* \* \* cannot absorb further reductions without sacrificing critical core capabilities."

These statements of our top military officers were made in open committee hearings. If they were free from political concerns, one could expect an even more candid, and dire, assessment. Even Secretary of Defense Perry has acknowledged that "we have to start increasing the modernization program or, we will start to have a real problem of obsolescence in the field." The Clinton administration has certainly achieved consensus among the services and the Department of Defense, but in a way that the Goldwater-Nichols Act never envisioned.

Our defense needs are underfunded, from both a historical and operational point of view. We are at the lowest level of defense spending since 1950. Procurement has been reduced by 70 percent since 1985, and by more than 40 percent under the Clinton administration. Programs to support our servicemen and women's quality of life are inadequate. Our ability to protect our soldiers from ballistic missile attacks suffers from lack of funding and commitment. Our military research and development is anemic. If anything, we should be considering amendments which provide floors—not ceilings—on defense funding.

I realize that our great Nation has numerous domestic and international obligations. But none—I repeat none—of these obligations rises to the level of our responsibility to provide for the common defense. Protection of our Nation's citizens is the Federal Government's first order of business. Without meeting this paramount obligation, the basic guarantees of "life, liberty and the pursuit of happiness" can easily become empty promises.

Defense spending is now at its lowest level in the second half of this century. This half century has been the era of American superpower status. Our superpower status is not something we can maintain cheaply. We won the cold war through our steadfastness and robust military capabilities. Yet, we are asked by the administration and supporters of this amendment to continue undermining our military capabilities.

I hope the Members of the Senate will agree with me that we cannot afford for our Nation to be less vigilant, less capable, and less ready. I strongly urge the Senate to vote against the Grassley amendment.

The PRESIDING OFFICER. Under the previous order, the Senator from Virginia is now recognized for up to 5 minutes.

Mr. WARNER. Thank you, Mr. President.

Mr. President, I would like to follow on the statements of the chairman of the Armed Services Committee when he said the modernization for the 1996 fiscal year decline represents the 40-year low since 1950. So I went back and I looked at a chart which shows exactly what we bought just 10 years ago. To give you an example, 10 years ago, in 1986, the number of tanks we purchased in the field was 840. This year we purchased zero tanks. In 1986, tactical aircraft, 399 tactical aircraft; this year, 1997, 34. Most alarming of all, Mr. President, is the purchase of naval ships. In 1986, we purchased 40; in 1997, a mere 6. That is a clear indication, Mr. President, of the decline in the equipment.

When the members of the Joint Chiefs came before our committee, I, together with other Senators, asked each this question: First, what is the condition, say, of the Navy today? And the answer very proudly given by the Chiefs is it is in the best condition, it is ready, and it is well equipped. Then we asked with this level of procurement, what will your successor be able to say 10 years hence? And it is 10 years from the drawing board to the operational status of most of your major weapons systems, ships, aircraft, tanks, and the like. Each and every one of those Chiefs looked at the members of the committee, and you could read their faces. "We cannot give you an answer as to what our successor a decade hence with this level of procurement would be able to testify today with respect to the Armed Forces of the United States."

Mr. President, I am quite puzzled over this amendment because it is so clear that we need these forces. We need this money.

But I went back and looked at some polling data as to how the United States say 10, or 15 years ago viewed our defense situation. And clearly about half of the people ranked up there at No. 1, or No. 2, in their concerns about the security of the United States and how that appears in polling data today. Mr. President, the top item is the balanced budget, 26 percent; morale, 14 percent; crime, 11; taxes, 10; welfare, 10; jobs, 8; national defense—only 4 percent of the people are concerned; that low level of people, directly in conflict with the information that has been discussed on this floor about the threat that is poised against the United States.

The Defense Intelligence Agency looked back 10 years and found but maybe 30 different spots of the world which we termed as "hot spots" into which our troops might be called. That was 10 years ago. Today, that is number is 60 areas of the world into which our troops might be called to defend

freedom, or the security interests of the United States.

So, Mr. President, while the public may think that we are safe and secure today, the reality is this is a very troubled world. I think it is our obligation to ensure that today, tomorrow, and in the years to come we are buying adequate numbers of ships, aircraft, and other items such that the men and women of the Armed Forces will remain as they are today—the best equipped in the world. We owe no less obligation to those who volunteer to proudly wear the uniform of the United States.

This amendment would cut \$8.3 billion from the defense budget number reported out by the Budget Committee, and bring us almost back down to the inadequate level of defense spending requested by the President.

We have heard a lot during this debate about the increase in the defense budget contained in the budget resolution. There is no increase. What the Budget Committee has done is simply slow the rate of decline.

But even with the defense number reported out of the Budget Committee—\$265.6 billion—the defense budget will decrease in real terms from the fiscal year 1996 level by \$7.4 billion. This year will mark the 12th straight year of declining defense budgets—even without the additional cuts proposed in this amendment. Enough is enough.

U.S. troops are currently deployed in 10 separate military operations overseas. From Bosnia to the Persian Gulf, from the Adriatic Sea to the Taiwan Strait, we are calling on the men and women of the Armed Forces at an ever-increasing rate. The end of the cold war did not bring peace and harmony to the world.

It is our responsibility to provide our troops with adequate resources so they can effectively and safely perform their missions. We must not condemn them to enter the battlefield ill-prepared, with outdated equipment. As Army Chief of Staff Reimer told the Armed Services Committee in March, "In the event of a conflict, a lack of modern equipment will cost the lives of brave soldiers."

In testimony this year before the Armed Services Committee, our military leaders were candid about their assessment of funding requirements, and their concerns with the level of funding proposed by the President.

They recognize that today's military is second to none as a result of actions taken 10 years ago. I told all of the service chiefs that their challenge today is to ensure that the military leaders 10 years hence have the forces and equipment they will need to protect our Nation's interest. It was clear from their testimony that the budget submitted by the President would not provide for that capability.

Because of the Armed Services Committee's concerns with the low level of funding contained in the President's request, the committee requested each

of the services to provide a list of urgent requirements that were unfunded in the administration's request. These lists totaled over \$20 billion, and were used as a guide by the committee in adding \$12.9 billion during our recent markup.

I was particularly concerned that the Clinton budget would continue the precipitous decline in the procurement accounts—or as Admiral Owens has called it, the crisis in procurement.

Despite promises last year from Administration officials that the modernization ramp up would begin in fiscal year 1997, the decline continues. We are now at a 40-year low—not since the start of the Korean war have we spent so little on purchasing new weapons for our troops.

To give just a few examples—in fiscal year 1986, we purchased 840 new tanks, this year, no new tanks were requested; in fiscal year 1986, we purchased almost 400 new tactical aircraft, this year, 34 new tactical aircraft were requested; and in fiscal year 1986, we purchased 40 new ships this year, only 6 new ships were requested.

Even though the Joint Chiefs of Staff unanimously recommended a procurement budget of \$60 billion as soon as possible, the administration proposed a budget of only \$38.9 billion for procurement in fiscal year 1997. Ten years ago, the procurement budget was over \$100 billion in 1997 dollars. If the administration has its way, the \$60 billion procurement budget recommended by the Joint Chiefs will not be seen until fiscal year 2001.

We cannot afford to further delay the recapitalization and modernization of our military equipment. Our troops in the field a decade hence will inherit outdated, obsolete equipment if we allow this procurement decline to continue.

During markup, the Armed Services Committee added almost \$8 billion to these vital procurement accounts. This will not solve the problem, but it is a step in the right direction. We must not backslide now from our determination to adequately modernize the force.

I share my colleagues' desire for deficit reduction. But placing at risk the security of this Nation and the lives of our troops is not the way to achieve a balanced budget.

Our defense budget is already at its lowest level—in real terms—since 1950. We cannot afford to go any lower.

I urge my colleagues to vote against this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, did we not have any other agreements?

The PRESIDING OFFICER. Under the order that was the last speaker, the Senator from Virginia.

Mr. STEVENS. I am perfectly willing to wait for the Senator from Iowa, if he wants to use some of the time.

Mr. DOMENICI. That is fine.

Mr. GRASSLEY. I will be glad to do so.

Mr. President, I yield myself 10 minutes.

How much time do I have?

The PRESIDING OFFICER. Seventeen minutes.

The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, first of all, we have been hearing from a lot of very competent Senators who are members of Defense Appropriations, who are members of the Senate Armed Services Committee, who have the responsibility to make sure that we meet our defense needs.

I compliment them for doing that. We have people on the Armed Services Committee who are using budget arguments rather than national security arguments. I think if they want more money for defense, they have to be able to justify it on national security grounds. While I have these good friends of mine who are members of this committee saying why we ought to spend more, one of the reasons I feel very good about having Senator EXON as a cosponsor of my amendment is because he brings good judgment to this issue because he sits both as a senior member of the Senate Armed Services Committee and he is also the senior Democrat on the Budget Committee. So I believe that Senator EXON as well has a point of view that he can bring to this, and I thank him for doing that, but I hope that my colleagues on this side of the aisle who oppose what I am doing know that we have taken both the national security argument and the budget argument into consideration.

Senator STEVENS has suggested that the defense budget should not be defined and sized to the threat as we know it today. There may be some unknown threat out there, I would have to admit, but we do not know about it. But that is not how it is done. We always determine the size of the budget by the threat that we see today and in the future. What we see is a dramatic decrease in the threat, so why should the budget go up? The budget should not go up. That is why I have my amendment here.

I say to my good friend from New Mexico, the remarks that he made in the opening of the debate against my amendment are macrobudget arguments, not national security arguments. The fact is the Soviet threat is history. In constant dollars, we are still very close to the cold war spending average. What is more, this budget is not based on a valid national security strategy. It is based on an outdated strategy. It is a cold war strategy.

Furthermore, history shows more money does not mean defense if reforms are not made. And they have not been made despite the promises. The Secretary of Defense has said modernization would be paid for through reform savings. That would take care of the concerns of the Senator from New Mexico. But we have not seen the savings. The responsible way is to force the savings to occur so we will have

the money for modernization. Otherwise, we are just throwing good money after bad.

When will we learn, I ask my colleagues, that it is not the proper way to do things, that it just encourages more abuse of the taxpayers' dollars. I guess I would beg my colleagues, particularly those on this side of the aisle, to consider the same sort of intense look at spending that you do when you look at domestic programs. You always want to make the other side of the aisle understand that throwing money at a problem does not solve the problem. We tell them, the liberals of this body, that it is how you spend the money, not how much you spend.

When are we going to learn that that same principle which fiscal conservatives use against the liberals of this town on domestic social programs also applies to the defense budget?

Those arguments that are made by my colleagues are more budget arguments than they are national security arguments, and I think that is why they miss the point. Many of my colleagues then want to keep pumping up the defense budget. I say it makes no sense at all. Not only does it make no sense; it defies reason. It defies understanding.

Threats to our national security, that is the engine that is supposed to drive the defense budget, but in this debate we do not see it driving. It is strictly a budget argument: More dollars are going to accomplish more defense. Not so. That point was brought home nicely in Colin Powell's book, "My American Journey." This is what General Powell said he learned during a tour of duty with the National Security Council, and I quote from page 340:

Overarching all other concerns was our relationship with the Soviet Union. Our defense strategy and budget were almost wholly a reflection of Soviet capabilities and intentions as we read them. The size and the state of the Red Army were the measures against which we built our forces.

So for Senator COHEN, who raised the question of, do we know about the Soviet threat, well, Colin Powell says we know about that threat. We made our judgments based on that threat. That is the word from the last Chairman of the Joint Chiefs of Staff.

The military power of the Soviet Union was a principal driver behind our defense budget. Well, the Soviet Union is history. Russia might not be history, but things are changing there. The threat is gone. We all agree the cold war is over. Using General Powell's ruler as a guide, the defense budget should be coming down, not going up. When the Soviet Union went down, our defense budget should have come down.

Now, I know we still live in a dangerous, unstable world. I admit that. I know we have vital interests overseas that we want to be able to give direction to, and the military is one way of doing that. I suppose I have to realize the live fire maneuvers of Communist China over the Taiwan Strait is a

harsh reminder of that. We need a strong defense. We can have a strong defense, but that defense has to be defined within the concept of our budget needs. It has to be defined in a way that is attainable. It is different now than it was before the fall of the Soviet Union. I think President Clinton is providing one.

For those of you who have some doubt, I have given you the benefit of that doubt. In fact, the numbers in this amendment are dictated through our cooperation with Senator EXON because, sitting on the committee, he felt that there should be maybe some leeway. I am willing to give that leeway based upon the judgment of a member of the Senate Armed Services Committee.

President Clinton has the defense budget on the right track. He has it on the right glidepath. A smaller threat requires a smaller defense budget. President Clinton's \$254.3 billion request for fiscal year 1997 reflects that change in threat. His budget addresses our real defense needs in the post cold war. There is just one problem, though, with his budget. The bureaucratic machine at the Pentagon is still running on cold war inertia. Pentagon bureaucrats are trying to craft a cold war program with a post-cold-war budget. That is going to lead us to trouble. It is going to lead us to another hollow force like we had in the 1970's. The cold war warriors will have to rob the readiness account to pay for all their cold war programs. They have to rob the readiness account because the cold war programs are all underfunded. They are all underfunded because their outrageous price tags cannot be justified without a Soviet threat.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER (Mr. THOMPSON). Who yields time?

Mr. DOMENICI. Mr. President, Senator COHEN desired some additional time. How much did the Senator want?

Mr. COHEN. How much time does the Senator have?

Mr. DOMENICI. Five minutes. Does Senator STEVENS want 5 minutes.

Mr. STEVENS. I will have 5 minutes.

Mr. DOMENICI. Five minutes each, all right, in that order.

Mr. COHEN. Mr. President, it is curious, and I should say "curiouser," as I sit in the Chamber and listen to this debate. My colleague from Iowa says we are going to throw good money after bad.

Are you saying that we are throwing bad money at our systems? Is that what we tell the American people? Is that what we tell the men and women in the service, that we have been throwing bad money at them? Was it bad money that we spent on the stealth fighter aircraft that were able to take out the Iraqi defense in a matter of a few hours? Was it bad money that we spent on cruise missiles that we used to take out their weapon storage facilities? Was it wasted money we spent on

Aegis destroyers, one of the most sophisticated systems that we have?

General Powell did not fight the Soviets. He fought the Iraqis in 4 days. He fought them in 4 days because we had the strategy and the capability to take down their army in that period of time with limited loss of life. I daresay, if we want to quote from pages other than page 320 of General Powell's book—we should not engage in selective quotation because a quote taken out of context can be used as a pretext. I doubt very much whether General Powell is saying that the President's budget is adequate to meet the threats of the future.

I have page after page of statements coming from our service Chiefs. The Chairman of the Joint Chiefs, "I am very concerned our procurement accounts are not where I think they ought to be \* \* \* [We] must commit ourselves to a sufficient procurement goal, a goal I judge to be approximately \$60 billion annually."

Chief of Staff of the Air Force: "Unless we recapitalize, we are not going to be ready to meet the threats of the future."

Chief of Staff of the Army, General Dennis Reimer: "Further deferral of modernization will incur significant risk to future readiness."

Adm. William Owens, Vice Chairman of the Joint Chiefs, "I want to talk about procurement because I believe it is the crisis in the defense budget today," and on and on, page after page. These are the people who are seeking to throw good money after bad?

Mr. President, it is really ironic, this whole debate. Last year we had the same thing, the same sort of approach. We have people coming up, supporting an amendment such as this—the same people who get on the floor here and vote to cut back on defense spending because they think it is too much, and yet they send us letters. I will not take the time or embarrass the Members who have sent these letters. Here is the compilation of all the letters Members sent to us, "Please, we need more money for defense."

I have talked to my colleague from Alaska. Mr. President, 60 percent of the people who wrote these letters here to the Defense Authorization Committee and the Appropriations Committee—their requests were complied with—they come on the floor and they vote against the spending. And they say, "By the way, do you think you can help us out, we think we need more assistance in these systems?" So the same people who are cutting the defense budget request here end up getting the systems funded so they can stand proudly on the floor and say, "I am for lower defense but, my God, please help spend some more money for our projects."

I think it is time we put an end to that. I think it is time we put an end to Members saying "We need more for defense" who then come to the floor and posture, saying, "We are for lower defense spending, the cold war is over."

I do not think there is anybody on the floor who can tell you what the threats are going to be in the future, 5 or 10 years out. We have to start procuring today to meet those threats as best we can. You cannot wait until the threat occurs and then decide you want to build more submarines or cruise missiles or aircraft or tanks. We have to start the procurement now.

The President of the United States said we were going to increase procurement 2 years ago, in 1996. He did not do it. He broke that promise. He said wait until next year, 1997. He broke that promise, too. Now we are told just give us until 1998 and once again procurement will go on the upswing.

It is our responsibility to listen to the service Chiefs, the Joint Chiefs of Staff, the ones who are writing us saying, "We can use more. Yes, we can live with this budget the President has submitted if we have to. We are on the ragged edge right now. We do not know what tomorrow will bring. You have to give us more assistance here. We need more assistance if you can give it to us."

That is what they have been saying. For the first time this year, as compared to all other years where they have previously said we can live within the budget, now they are saying we could use a little bit more. They have been honest about it. They have come to us.

I have a list some two pages long totaling \$21.1 billion that the service Chiefs have indicated to us they could use for modernization and procurement accounts, funding that is needed to meet the future threats. Yet, sure, they will come up and swear, take an oath, and say, "We can live with it if we have to. But we are telling you we need more."

The Members who write to us saying give us more, they ought not come to the floor today and vote for this amendment and say we are going to vote to cut defense and then come back later and say we want our systems funded.

Mr. President, I can tell you from this Member's point of view, I am going to see to it that all of those requests are denied and deleted, if that is the case, because they cannot have it both ways. You cannot say you want more for defense privately and get on the floor and say we are going to cut it publicly.

I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I have a chart here that shows the situation in the last 10 years. We have three basic types of spending: Defense discretionary, domestic discretionary, mandatory spending. In 1987, in terms of 1997 dollars, we had almost \$375 billion in defense money. The discretionary spending was considerably less than that, and this the entitlement, the mandatory spending in this year. In our budget it is down 34 percent from

1987 for defense. It is up 31 percent in terms of discretionary spending, domestic discretionary. And it is up 41 percent in terms of mandatory spending. We have, in fact, as the Senator from Iowa demanded, reduced spending. We have reduced spending by 71 percent in terms of procurement in defense. Our money for defense is 71 percent less than it was before. We have reduced manpower down. Even though it is voluntary, we still have reduced manpower by 33 percent.

I have the same comment that the Senator from Maine has made. I have here the list of last year, the requests from Members that came to the defense appropriations subcommittee, for Members' add-ons. About 20 percent of them were actually mentioned in the President's budget, but even those, most of them, the request was to increase the President's budget. This is the book of all the letters that we received from Members. We accommodated, as the Senator from Maine said, approximately 60 percent, almost every request we got from Members and, I might say, about 60 percent to the Armed Services or the Appropriations Committee were added on.

There you are, the Members who want to see how they succeeded last year in adding money to the budget, there it is. The reason we are able to do that is because we won the battle with the President. We added money last year.

This time the President has come down from even the amount that he agreed to for 1995. In any event, we are going to be cutting from the 1995 level for next year.

I agree with the Senator from Maine, there is no way that we can accept the concept of having people vote to cut the money and then come in and tell us their State absolutely needs additions to even the budget prepared by the Budget Committee. We did that. We even added to the levels of the Armed Services Committee in the appropriations process, and Members will remember that argument on the floor.

But this is unconscionable. When you look at it—just take the C-17. Right after the turn of the century the only airlift we will have to take our Armed Forces overseas will be the C-17. We originally were going to order 240 of them. The President's request comes down to 120. Mind you, that will be the only transport beyond the year 2006. I do not understand people when they say you have to cut that even further. The President's level will take it to 120. There is no way we can project our capability to defend this country with these continued changes.

The Senator from Virginia was here. He mentioned to us about the time four of us here, Senator INOUE, myself, Senator WARNER, and Senator NUNN, sat in Israel when we awaited the incoming Scud, the missile that was shot at Tel Aviv while we were there. Thank God there was a Patriot there and thank God it did glance off that Scud

and the four of us are here because of that.

But the President's budget cuts missile defense and 77 percent of the people think we now have the capability of defending this country against missiles, which is not true. Not unless we spend some of the money that is absolutely necessary.

Mr. COHEN. Will the Senator yield?

Mr. STEVENS. Did the Senator want to ask a question?

Mr. COHEN. I was just going to ask, my understanding was that the President went to California and said we needed more C-17's, not fewer. So we have people going out to the local districts, or States which are politically populous, and appealing for votes in the fall, saying, "Gee, how can we help you? Can we keep that base open? We are not going to shut down a facility in Texas or California, we are going to keep it open," in order to purchase votes. I think the time has come for us to listen to what the service Chiefs and the Chairman of the Joint Chiefs are saying. I say to my colleague from Alaska: They need more not less.

The President submitted a budget, and that budget has defined the national security needs. What the military people are really saying is, "We're at the edge. We have to start ramping up on procurement. We should have done it 2 years ago. We don't need it next year; we need it now."

I support what the Senator from Alaska is saying. We cannot afford to continue to do this. When my colleague from Massachusetts says what happens when we are spending more money than our friends from Germany, Japan, Italy, or all of our allies, when the 911 call goes out, are we going to send the British fleet to Taiwan? Are we going to send the Italian fleet or the German fleet?

The fact of the matter is, we are the superpower. If we can change that, we can say, "We don't want to be a stabilizing force in Europe or Asia." If that is the case, let us make that determination, but we ought not to do what we are doing now, and that is, constantly rob procurement in order to keep ready and then keep ready by overutilizing the ever-diminishing inventory that we have.

We have to make procurement changes. The President is unwilling to do so in an election year, saying, "Wait until next year; wait until I get by 1996; wait until 1997 or 1998." We cannot afford to do that unless we are willing to place our men and women in jeopardy.

Mr. STEVENS. Beyond that, I wonder how many people drive to work in the Senate in 30-year-old vehicles. The people who are flying our planes are flying planes made 30 years ago. By the turn of the century, every plane we have in the inventory will be 30 years old, except for the B-2 and F-117.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STEVENS. I thank the Senator from New Mexico. I have finished my

comments. I urge the defeat of this amendment.

The PRESIDING OFFICER. The Senator from Iowa has 7 minutes.

Mr. GRASSLEY. I yield myself 5 minutes.

Mr. President, you just heard the last two arguments. The basis of those arguments is blue smoke. The savings promised—now I am talking about savings promised—by the Defense Department through infrastructure reforms should have occurred regardless of all these letters that have been referenced here, all the letters that my friends are referring to.

The money was supposed to go toward modernization, but it did not materialize. I will not tolerate throwing good money after bad, and that is why I am offering this amendment.

I want to elaborate just a little bit on savings promised that never materialized. I want to say that there is another good colleague of ours, Senator JOHN MCCAIN, who is a member of the Armed Services Committee. He put out a white paper entitled "Ready Tomorrow: Defending America's Interest in the 21st Century." On page 23, he had this to say:

We must, therefore, look for ways to do more with less, and we must make the hard choices to ensure the best military force within the limited resources available for defense.

That is the essence of my amendment. I am not saying Senator MCCAIN is for my amendment. I am just saying Senator MCCAIN is a member of the Armed Services Committee and in that one sentence and throughout his entire paper lays out a basis to end this belief that we have around here, particularly on this side of the aisle, that all you have to do is throw more money at defense and you get more defense.

If I thought that the Defense Department was trying to save money, I might feel differently about adding \$11.3 billion to the defense budget. The extra \$11.3 billion would be used primarily for modernization.

The weapons and equipment that the military purchased over the past 20 years obviously is starting to age. If we are to maintain our military edge in the future, then we must begin to replace all this stuff at some point. I agree, but my Republican colleagues want the extra \$11.3 billion to get the ball rolling, and I do not think that ball is ever going to roll.

From day one, senior defense officials, like Secretary Perry, have been making an important promise: New weapons would be bought with savings from lower infrastructure costs.

Mr. President, all the evidence indicates that the promised savings are nowhere on the horizon. The General Accounting Office has just completed a review of the defense infrastructure costs. Infrastructure dollars are spent to maintain the bases, facilities, and activities that house and sustain the armed services. They are support costs.

In a nutshell, this is what the GAO found:

Despite four rounds of base closures and dramatic and continuing cuts in force structure, there are no savings.

Defense infrastructure costs are going up, not down. The driving force behind the base closure effort was to save money by reducing overhead. Our base structure exceeded the needs of our sinking force structure. The whole idea was to close excess bases and to save money.

Once again, savings promised by the Pentagon have evaporated into thin air. Here was a golden opportunity to save money, and the Pentagon blew it.

I know base closings require upfront costs, in some cases substantial. But upfront costs are supposed to be followed by downstream savings. That is Mr. Perry's promise; that is Mr. Perry's testimony before the committee. He has identified \$10 billion in savings. Mr. Perry promised the money would be used for the modernization that my colleagues are calling for here.

That is fine and dandy, but where is the \$10 billion in savings? The GAO cannot find the money. It has audited the books and finds infrastructure costs will rise significantly in the out-years.

It is true, base closings did, in fact, produce some real savings, but underscore "did," which is past tense. Unfortunately, as soon as those savings popped up on the radar screen, Pentagon bureaucrats grabbed the money and spent it. The money is not being plowed into modernization and readiness, as Mr. Perry promised. Those savings are being diverted into new infrastructure projects, like new headquarters.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

Mr. GRASSLEY. Mr. President, I give myself 1 more minute, and the last minute I give to the Senator from Nebraska to close.

If we do not hold the Defense Department's feet to the fire, the savings will be frittered away on pork projects. Base closures and continued shrinkage in the force structure should have one inescapable result: lower infrastructure costs. I hope my colleagues on the Armed Services Committee will make sure that that happens.

I have referred to Senator McCain's white paper. Right at the top of Senator McCain's list of places to save money are infrastructure requirements. This is what he has to say:

Infrastructure and military force structure need to be brought back into balance. Elimination of excess infrastructure would reduce operating costs and free up funds to maintain force readiness and to modernize our smaller force.

I agree with my friend from Arizona 100 percent. I only hope that when we get to the defense authorization bill, he will help me find an enforcement mechanism. We need an enforcement mechanism.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRASSLEY. I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I thank my friend for yielding. Everybody wants to know about when we are going to vote. As far as I am concerned, it looks like we can vote shortly after or about 6:45. I am going to take 5 or 6 minutes, whatever additional time I need, after the 1 minute allotted to me by my friend from Iowa, and I yield myself the time off the bill.

I have been listening in total amazement to the statements that have been made here. First, I want to say in answer to the statement that had been made by the chairman of the committee early on that the committee of jurisdiction for authorization, the Armed Services Committee, already voted 21 to 0 for the change that we are suggesting here now. I speak for myself and several other members of the Armed Services Committee who voted 21 to 0 for the bill, because we thought basically it was a pretty good bill, but just before that vote was taken, this Senator and others indicated that they would be offering some amendments on the floor, including amendments with regard to the level of funding over the President's mark. That is what I am doing now.

I have heard in total amazement here General Shalikashvili, the Chairman of the Joint Chiefs of Staff, who put his seal of approval on the President's budget, being quoted tonight as if you would think General Shalikashvili was for the increase. He is not. He is not for the increase.

These Senators that have been up on the floor saying, "Well, the military says they need it." You show me a military man worth his salt, and you go to him and say, "You know, what more could you use?" I would be shocked and disappointed if such a military man would not say, "Well, I want this and this and this and this."

The facts are, the President's budget has the stamp of approval of General Shalikashvili, the other members of the Joint Chiefs, and the Commander in Chief, the President of the United States. All of these comments that I have heard on the floor would lead one to believe that this is a group of people who were trying to destroy our national defense.

The amendment that I am cosponsoring with my friend from Iowa is being attacked exactly as was the Exon-GRASSLEY AMENDMENT 2 YEARS AGO. THE SAME TYPE OF PHRASEOLOGY, THE SAME TYPE OF WORDING—"DEVASTATING NATIONAL DEFENSE." I SIMPLY SAY THAT IF YOU BELIEVE THE PRESIDENT OF THE UNITED STATES, THE CHAIRMAN OF THE JOINT CHIEFS, AND THE JOINT CHIEFS THEMSELVES, AND THE PENTAGON WOULD PUT THEIR STAMP OF APPROVAL ON A LEVEL OF DEFENSE SPENDING OUTLINED IN THE PRESIDENT'S BUDGET THAT WAS NOT SUFFICIENT, THEN YOU ARE INDIRECTLY ACCUSING THEM OF DESTROYING THE NATIONAL DEFENSE OF THE UNITED STATES OF AMERICA, IF YOU

LISTEN TO SOME OF THESE PEOPLE ON THE FLOOR TONIGHT.

I think too much of the Chairman of the Joint Chiefs and the Joint Chiefs to think they would put their stamp of approval on something just to kowtow to the President of the United States. I think they are better, I think they are bigger men than that.

I simply say, any time you want to spend more money for defense and call in some military people and say, "If you had more money, how would you use it?" of course, they would come up with something. I would be surprised if they did not.

I simply say, also, that you would think that Senator GRASSLEY's amendment, cosponsored by myself and others, was a further cut in defense. It is an increase of \$3 billion. It is an increase of \$3 billion over what was recommended by the Pentagon. But you have people on this floor who are so expert, who have sacrificed themselves to be in Israel and were saved by a Patriot missile. You know, it is a little too much for this Senator, who has stood stalwart for defense spending ever since I have been here.

So what we are doing with the Grassley amendment is to provide \$3 billion more than the Pentagon and the President said was needed. These people who are criticizing this amendment have decided on their own that they are the experts, that they are the ones who know how much money we should spend for defense, regardless of what the Pentagon and the Commander in Chief says. They want an \$11 billion increase.

The Grassley amendment says, "All right. We don't think that much is necessary. Some of us would like to go down to what the Pentagon says is needed, but we'll go along with the \$3 billion increase." But that is not enough, evidently, by what I have heard here tonight.

I also heard statements—the Senator from Texas, for example, complained that if the Grassley amendment is adopted, military personnel would not get their 3 percent pay increase, as I understand it. The fact of the matter is, that is not accurate. The facts are that the 3 percent increase to the military personnel is included in the President's budget. The Grassley amendment provides \$3 billion over and above that.

I simply say that I never have been very much impressed by a group of Senators getting together saying they know more about everything, the needs of the national defense, than even the Pentagon. I want to make it clear once again that the Pentagon agreed to and gave a stamp of approval to the President's budget. It is only these people, who I know are well-intentioned—and I know of their good intentions—that have said, "No. That's terribly wrong. It will destroy our national defense. So arbitrarily we have come up with \$11 billion more than we need for this." I would rather trust the real military

leaders and experts in the Pentagon. But I am willing to say, OK, let us add \$3 billion.

I have heard here tonight that if the Grassley amendment is not defeated, it will end all of the work that is being done on Star Wars or a version of it. I would simply point out that all of the Star Wars technology that has been paraded out here in speeches tonight would lead one to believe that Star Wars, or a version of it, would not go ahead if the Grassley amendment is adopted. But the increases that the Senate Armed Services Committee and the House National Security Committee approved above the President's request were only \$300 million and \$330 million, respectively.

Senator GRASSLEY and I are adding \$3 billion. So everything that these people who are out here attacking the Grassley amendment as ending the star wars research is not true. We can do everything they want to do because their requests are only about \$300 million in 1997 above the President's request. We could do all of what they want to do, have all the Patriots we need to protect Senators who are in Israel with the \$3 billion. We could spend the \$300 million that they want for Star Wars for this year and still have \$2.7 billion on top of that.

I simply say, Mr. President, there is room for argument on all of these things. But there is not room, I do not think, to conclude that others are in bad faith. It is wrong to say that General Shalikashvili does not support this budget, because he does. Senator GRASSLEY and Senator EXON are saying, "OK, we give you some leeway. We'll add \$3 billion on top of what the Pentagon said is needed. That should be enough." I urge the support of the Grassley amendment.

I am prepared to yield back the remainder of our time if we have any left and proceed to go to a vote.

Mr. MCCAIN. Mr. President, I listened with great interest the comments made by the senior Senator from Iowa—especially those that referenced my defense white paper. For the record, I strongly oppose the Grassley amendment. And while I am flattered that he choose to quote from my paper, the report makes the clear case that funding for our Nation's military is far too little to fully meet our vital national security needs.

Even though we are seeking to add \$11 billion to secure our national defense, these limited resources are being stretched to the limit. I intend to insert into the RECORD a more complete statement to rebut all of the comments made by my friend from Iowa.

In closing, let me again emphasize my strong opposition to the Grassley amendment and urge my colleagues to vote against the amendment.

Mr. KOHL. Mr. President, I join today with Senator GRASSLEY to urge my colleagues to support this very simple amendment to put some restraint in our defense budget.

In effect, our amendment accepts the higher defense spending levels for fiscal year 1997 currently in the budget resolution. However, it places a fence around \$8.3 billion in budget authority and \$2.3 billion in outlays. If the President certifies that, in fact, these additional funds, are required for our national security, the funds will be released. If the President does not make this certification, the funds will go toward deficit reduction.

This is a reasonable amendment. It gives the President every opportunity to use these funds for defense should there truly be a need to do so.

Last year, when the Senate passed its version of the fiscal year 1996 budget resolution, the Senate endorsed the administration's defense spending level for fiscal year 1997. When proponents of more defense spending tried to increase defense spending over the next 5 years, the Senate rebuffed that effort.

The vote last year gives me confidence that our amendment will succeed today, for there is bipartisan support for maintaining defense spending at reasonable levels. On May 23, 1995, in a strong bipartisan vote, the Senate defeated an amendment to last year's budget resolution which would have increased defense spending above the level requested by the administration. Sixty Senators voted against that amendment to increase defense spending not only for fiscal year 1996 but for fiscal year 1997 too. Unless they have changed their minds, the same 60 Senators should support this amendment. It offers another chance for the Senate to support reasonable defense spending levels.

Let us review some of the numbers for a minute, in case anyone is concerned that the proposed level of defense spending in our amendment is anything less than robust. Our amendment does not reject the \$266.4 billion in budget authority and \$264.6 billion in outlays as called for in the budget resolution reported out by the Budget Committee. Should the President determine that the money we fence is not needed for defense then, eventually, \$8.3 billion in budget authority and \$2.3 billion in outlays will be returned to the Treasury, a mere 1-percent reduction in the spending level endorsed by the Budget Committee.

Let me say a few words about inflation adjustments. Senators should realize that thanks to adjustments in the cost of doing business for the Pentagon we are really talking about an increase that surpasses the \$11.3 billion added by the Budget Committee in terms of buying power.

Earlier this year, Secretary Perry announced that the Defense Department had discovered \$45.7 billion in inflation savings after reestimating the defense budget for FY1997-2001 using lower inflation rates from the Bureau of Economic Analyses. The administration gave the Defense Department the green light to plow \$30.5 billion of these funds back into the defense budget

even though the additional buying power provided by these funds was not anticipated by the Defense Department nor was it requested. \$4.3 billion of these inflation savings are built into the administration's fiscal year 1997 defense budget.

I am concerned that in the rush to increase defense spending, we have ignored the fact that in terms of buying power, the administration has already proposed significant increases which we are now building into our own numbers without any acknowledgment or discussion. Senator GRASSLEY, Senator BRADLEY, and I raised this issue with the Budget Committee earlier this year and I ask unanimous consent that a letter on this subject be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KOHL. If we are serious about reducing the deficit and achieving a balanced budget, we cannot increase spending when favorable economic conditions bring down the costs of Federal programs. We must use these savings to help pay off our burgeoning debt. Yet, here we are turning around and giving the Defense Department even more.

And with all due respect to my colleagues, there never seems to be a specific goal here: It is always just more defense spending. Two years ago, we had a readiness crisis, now we have a so-called modernization crisis. Unfortunately, the only crisis we have here is a crisis of hemorrhaging tax dollars.

No one has made an effective case as to why we must be spending even more on defense. After more than four decades of building up a defense infrastructure to respond to the menace of the Soviet Union and its Eastern bloc allies, we are now pumping even more money into this same infrastructure without any real effort to reassess the basic assumptions underlying our national security posture. Is our defense spending relevant to the threats of the future? We cannot possible answer that question for the real conundrum is that we have no idea what these threats are. And, we are having a hard enough time articulating what we need to face the current threats.

Frankly, we are facing no major threats today. When the American people talk today about insecurity, they are talking about job security, personal security, and perhaps moral security. Even the threats to our national security posed by episodes of regional instability and conflict are less likely to be resolved with military force and more likely to be resolved through political or diplomatic intervention. To be sure, we need a strong defense. We need to develop a strategy and maintain a force structure to protect and advance our interests in the new global environment. If we could start over again and create a new force structure from scratch to meet the new challenges of this era, I am confident that

we would have a leaner, more mobile and more efficient force at far less cost.

I must confess, I am perplexed by arguments made that we must provide additional funds to the military because the service chiefs have said they want these funds. Of course they do. Are there any Federal agencies, when asked if they want additional funds, that would say no? I am certain that if we asked each Cabinet Secretary to lay out his or her unmet requirements we would have equally impressive shopping lists to compete with those sent over by the services.

I am also puzzled by arguments that we must front load defense spending in the early years of a 7-year plan because spending in the out years cannot be relied upon. Mr. President, the spending we vote for today—much of it devoted to new procurement and new research and development projects—lays the groundwork for increased spending down the road. Frankly, the spending proposed today ensures that reductions proposed for the out years will not occur.

If we allow this tremendous increase in defense spending to stand, we are reinforcing a disturbing trend. Last year, for the first time in 14 years, Congress ultimately increased defense spending well above the level identified by the Defense Department as necessary for our national security. During consideration of last year's Defense authorization bill, Senator GRASSLEY and I attempted to bring defense spending back to the level in the Senate's budget resolution by cutting \$7 billion. Our amendment was endorsed by a variety of groups focussed on deficit reduction and included in the annual scores generated by the Council for a Livable World and the Concord Coalition.

Although the amendment received bipartisan support, it was narrowly defeated.

I should note that this year the National Taxpayers Union and Taxpayers for Common Sense have already endorsed our efforts. I ask unanimous consent that a letter from the Taxpayers for Common Sense be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

MR. KOHL. Mr. President, no one has explained to me how we can maintain these high levels of defense spending and reduce the deficit. We cannot continue to spare the Defense Department from the deep regimen of cuts we are asking the rest of our society to absorb. If we are committed to reducing the deficit and balancing our budget, we must make the hard votes.

I know for some this will be a hard vote. However, I urge my colleagues to vote for this responsible approach to defense spending.

#### EXHIBIT 1

U.S. SENATE,  
Washington, DC, April 18, 1996.

Hon. PETE V. DOMENICI,  
Chairman, Committee on the Budget,  
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: We are writing to express our strong concern about the Defense Department proposal to spend some \$30.5 billion dollars in "inflation savings" realized because of lower inflation estimates over the next five years. We urge you to raise this issue during your hearings on the FY 97 budget and to direct these funds toward deficit reduction.

Inflation estimates used by the Defense Department over the years have been grossly inaccurate. In the 1980's, overestimates of inflation resulted in a \$50 billion windfall. That money disappeared. Then two years ago, the Defense Department told Congress that it had underestimated inflation and needed another \$20 billion to execute future defense programs. Now, just two years later, the Defense Department is telling us that it has once again overestimated inflation—this time to the tune of \$45.7 billion. This history undermines the credibility of the Defense Department's financial estimates.

In its FY 97 budget submission, the Defense Department is proposing to use \$30.5 billion of these inflation savings to buy more weapons systems.

We are troubled by the notion that any agency should be able to keep such a large windfall and increase its total spending because inflation estimates were inaccurate. Responsible budgeting demands that these funds be returned to the Treasury and that the Defense Department not be rewarded for changes in economic conditions.

Furthermore, purchasing more programs with inflation windfalls creates tremendous instability in program management.

If we truly intend to reduce the deficit, no area of the budget should be exempt from cuts. Cuts must be shared by all segments of our society. The Defense Department is no exception as long as threats to our national security continue to decline. In fact, given that the defense budget constitutes as much as 18 percent of the federal budget, we cannot afford to make the Defense Department an exception. And, we certainly cannot afford to give the Defense Department an unexpected \$30.5 billion.

We urge you to direct these funds toward deficit reduction before the Budget Committee finalizes its FY 1997 budget.

Sincerely,

HERB KOHL,  
BILL BRADLEY,  
CHARLES E. GRASSLEY.

#### EXHIBIT 2

TAXPAYERS FOR COMMON SENSE,  
May 15, 1996.

Taxpayers Say Support Grassley-Kohl  
Amendment on Defense Spending

DEAR SENATORS GRASSLEY AND KOHL: Taxpayers for Common Sense is pleased to support your amendment to the FY97 Budget Resolution to "put the brakes" on the Pentagon's budget. In particular, we support your amendment that would fence the Budget Committee's \$11.3 billion increase to the Administration's request. We understand that the fence would apply to the FY 1997 request only.

We understand that your amendment provides that the funds would be released only if the President certified that the additional amount was necessary for national security. If that certification is not made, the funds would go to help reduce the national deficit.

According to a recent GAO report, there have been no savings in the DoD infrastruc-

ture despite several base closures and significant cuts in force structure. At this crucial time, with our nation struggling to balance its budget all government agencies must share the burden of cost cutting.

We would urge the Senate to approve your amendment.

Sincerely,

JILL LANCELOT,  
Legislative Director.

MR. FEINGOLD. Mr. President, I thank my colleague from Iowa, Mr. GRASSLEY, for offering an amendment to the fiscal year 1997 budget resolution which seeks to reign in some of the excess defense spending in the Senate budget resolution and bring a little common sense to our Nation's defense budget.

The Grassley amendment seeks to reduce \$8.3 billion in new budget authority and \$2.3 billion in budget outlays of the Senate Budget Committee's markup for the Department of Defense for fiscal year 1997, unless the President certifies that these additional funds are needed to ensure the national security of the United States.

Mr. President, while I feel this amendment does not go far enough in cutting all of the \$11.3 billion added by the Senate Budget Committee over and above the President's fiscal year 1997 request for defense spending, I feel it is a necessary first step in beginning to bring some sanity to our Nation's defense spending. As every other budget account is on a glidepath to reduction, the largest budget of them all—the defense budget—is reversing course and moving to return to its artificially high levels. The budget resolution funds the Defense Department at a level of more than \$11 billion over the Clinton Administration's fiscal year 1997 request. The Pentagon is seeking \$254.3 billion in fiscal year 1997 budget authority and \$260.8 billion in budget outlays in defense spending, while the Senate Budget Committee has recommended \$265.6 billion and \$263.7 billion, respectively. Already our military budget is more than 3 times that of Russia's; 17 times larger than the combined budgets of North Korea, Iraq, Iran, Cuba, Libya, and Syria who are most often identified as our most likely enemies; and is above the level spent by Germany, France, England, Russia, China, South Korea, India, Japan, and Australia combined.

Mr. President, this budget plan for the Department of Defense is a recipe for fiscal havoc, and the Senate should insist upon more rationality. We simply cannot afford to continue spending at current or increased rates for defense, as this budget resolution seeks to do to a tune of \$11.3 billion. Nor can we afford to insulate any department, including the Defense Department, from scrutiny as we seek to reduce the Federal debt. In a year when we are cutting programs and fighting for deficit reduction, increasing the defense budget is simply irresponsible. We cannot achieve a balanced budget by bloating defense spending. Deficit reduction requires that we make very hard

choices and defense programs cannot be insulated in this manner.

For these reasons, I have cosponsored Senator GRASSLEY's amendment to the budget resolution, supported by the National Taxpayers Union, which seeks to begin to bring our fiscal house in order and to budget a little more wisely for the future. We simply cannot afford to jeopardize our country's economic health and to mortgage our future by spending tens of billions of dollars in additional funding beyond that which the Pentagon and the Clinton administration have requested.

I urge my colleagues to support the Grassley amendment, and I yield the floor.

Mrs. FEINSTEIN. Mr. President, I rise to speak in opposition to the Grassley amendment to the fiscal year 1997 budget request.

The budget provides the Congress with a framework in which it must work. By overly restricting the margins of that framework, we eliminate our ability to make the broad budget decisions necessary to meet our future defense needs. Senate Concurrent Resolution 57 preserves the Senate's flexibility to consider funding for those programs in the defense budget that should be eliminated and to make increases based on military evaluations and needs for the future.

The level of funding the President requested this year has been questioned by many individuals, including the Chairman of the Joint Chiefs of Staff, Gen. John Shalikashvili and the service Chiefs. We need the flexibility in the fiscal year 1997 budget resolution to consider the additions these leaders of our Armed Forces have requested and accept or reject them on their own merits, not through a sweeping budget cut.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. BOND. Mr. President, I ask unanimous consent that a vote on or in relation to the Grassley amendment occur at 6:55, and the time between now and then be equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. EXON. That is all right.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. BOND. Mr. President, I yield 5 minutes to the Senator from Georgia.

Mr. NUNN. Mr. President, I am not sure that I need that much time. I do not believe the Senator has that much time, if I am looking at the clock correctly and dividing the time in half. I will take just a couple minutes.

Mr. President, I rise in opposition to the Grassley amendment to reduce the defense spending levels in this budget resolution.

For several years I have been expressing my concern that the projected declining budgets in defense are not sufficient from four standpoints: First, to maintain the current readiness of our forces; second, to provide the

standard of living that military personnel and their families expect and deserve; third, supporting the force structure necessary to carry out the full range of missions that we expect our military to perform; and, fourth, to provide for the modernization that is the key to the future capability and future readiness of those forces. Mr. President, modernization today is our greatest deficiency.

We are living off the capital of previous investment. The men and women in the military continue to perform superbly every time they are called on. We call on them all the time, as we can see every day. We owe it to them to give them the support they need to do the job.

We also have to ensure that the men and women who will be called on 5, 10 or 20 years from now will have the same advantages vis-a-vis their potential opponents that our military forces have today, including technological superiority.

That latter point is where we are having problems today. You can live off the corpus for awhile. I think our force structure has been brought down about right. We have done a superb job in bringing it down, the military has, and keeping up the morale of our people.

The readiness of our forces is in good shape today. I do not agree with those who say that we have declined in readiness. I think our readiness is in good shape. What we are really doing, though, is borrowing from the future. We do not have enough money in the outyears of defense projections to be able to maintain the kind of research and development and procurement that we must have.

I do believe that the Budget Committee has it about right. I think this amendment would take the defense number down too low. It is important for all of us to realize that even with the Budget Committee number, which is higher than the President's, it is less in real dollar terms than last year.

When we are talking about this budget increasing defense spending, we are talking about relative to the President's budget, not relative to real dollars last year. This is still a defense cut, but it is moving toward stabilization. I think we do need to move toward stabilizing the defense budget in real dollar terms. I urge my colleagues to vote against the Grassley amendment.

While I believe the funding levels requested for readiness, military pay raises, and quality of life initiatives in the President's budget are about right, I think there are clearly insufficient funds going into modernizing our force. Modernization, for the most part, is delayed into the outyears under the current future years defense program. And we all know from experience how illusory these budget projections become 4 or 5 years down the road.

For the past few years, the Air Force has bought virtually no new fighter

aircraft. The Air Force has no bomber modernization program. The Navy is not buying enough ships to modernize even a 300 ship Navy. The Marine Corps is years away from having a replacement for its aging amphibious assault vehicles. For the Army it would probably be quicker to list the modernization programs they do have left than to list the ones they don't.

The fiscal squeeze on the defense budget is already intense. As we seek to balance the budget—especially if we try to enact tax cuts at the same time, which I hope we will not do—the pressure will get even more intense. This gives me even less confidence in the outyear funding predictions that show funds for defense modernization increasing.

In my view, we need to increase the defense topline now, to restore the balance to our defense program. We also need to preserve the firewalls that the Senator from New Mexico has included in both last year's budget resolution and in the budget resolution that is before the Senate today to protect any defense increases we are able to achieve and to provide some stability in the defense budget. Firewalls have not and will not mean defense cannot be cut, but they ensure that if it is cut the savings go to reducing the deficit and not to spending on other programs.

We have been reducing the defense budget for a long time. The current buildup started during President Reagan's second term, even before the fall of the Berlin Wall, and continued, accelerated, throughout the Bush administration and the current administration. However, the time has come to stabilize the defense budget as much as possible, since the defense budget has already made a greater contribution to deficit reduction than any other part of the budget.

#### MODERNIZATION FUNDING SHOULD BE INCREASED

The future readiness and future capability of the Defense Department requires modernization and it requires research and development, and those are the programs that have been cut most deeply during the defense draw-down.

The pressure to achieve and maintain a balanced budget will make it very difficult to increase the defense budget above current levels, yet current levels are still somewhat artificially low as we work our back toward a normal level of procurement and a normal level of infrastructure investment.

Because we were reducing the size of the force and were able to keep the most modern equipment as we downsized, a temporary decline in procurement was appropriate. But we are now reaching the point where we have to get our modernization budget back up to a long-term level that will sustain our forces for the future. We have to start increasing the procurement budget to prevent the average age of our weapons technology from reaching unacceptable levels.

Similarly, during the BRAC era we underinvested in facilities modernization because nobody wanted to waste a lot of money modernizing facilities we might be about to shut down. But now that we have made those decisions and the BRAC process is over we are going to have to put more money in modernizing and maintaining the facilities we have left.

So our challenge will be to have a budget that is slightly larger than the ones now planned, if we are going to balance the budget it is unrealistic to plan for more than a slight increase, and the budget plan in this resolution only increases the budget by about 1 percent over the levels in the administration's request—in order to have adequate funds for capital investments in weapons and facilities.

This is why I oppose this amendment which would eliminate the increase in the defense topline number that the Armed Services Committee has recommended. This increase has gone almost entirely to modernization. I think my colleagues will find that the funds the Armed Services Committee added to the modernization accounts have gone mostly, not completely, to programs the service chiefs have requested, and generally these are things the administration was already planning to buy.

In conclusion, Mr. President, many of my colleagues share my concern that we have cut the defense budget too far, too fast and that we are mortgaging our future by sacrificing the capability of our forces 10 years down the road in order to fully fund current readiness. This amendment would eliminate our ability to fund modernization programs vital to the future capability of our military forces, and I urge my colleagues to reject it.

Mr. GRASSLEY. Mr. President, I have 2½ minutes?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRASSLEY. I yield myself that time.

I hope one thing that all my colleagues will remember comes out of this debate. We have heard the argument from the other side that dollars define our defense. That is an upside-down way of making national security policy and the budget that is necessary to carry it out.

The way we decide how much money we are going to spend in defense is to define our national security policies, define our needs, have policy to fit those needs, and finance those policies. The other side has not made that argument. They have only made an argument that we need x number of dollars more for defense. That is upside-down reasoning.

Now, the other point I hope my colleagues remember from this debate is that we have been promised savings because of reforms. The General Accounting Office has told us—the nonpartisan General Accounting Office—has told us those savings have not materialized.

They have not gone into modernization. That is what Secretary Perry said he was going to do. They have gone into administrative overhead and things of that nature.

If we are going to be promised reforms, we should see those reforms before we give more money. Whatever money we give should be based upon a policy determination of carrying out our national security goals and our interests. The other side has not made the case for more money.

I yield the floor, and I yield back the balance of my time.

Mr. DOMENICI. Mr. President, I gather the consent agreement has already been arrived at that we will vote at 6:55?

The PRESIDING OFFICER. The Senator is correct. We will vote at 6:55.

Mr. DOMENICI. Mr. President, I thank all the Senators that came to the floor this evening and today. I think it was an excellent debate. I commend my friend, Senator GRASSLEY, but I do not believe we should adopt this amendment.

Obviously, he is consistent. From what I can tell, this is not the time to expect the President to ask for increases if they are needed. I believe that will not happen and we will get a budget that is politically motivated, not really one that the Joint Chiefs of Staff totally support. As evidence of that, they have come to the Hill, singularly and together and asked for an additional \$15 billion. I do not think they did that lightly. I think that is what they need.

Clearly, we ought to go with the Budget Committee's number and in due course debate can occur on how we spend it. I believe it will be spent wisely.

I yield the floor, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUE] is necessarily absent.

The PRESIDING OFFICER (Mrs. HUTCHISON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 42, nays 57, as follows:

[Rollcall Vote No. 113 Leg.]

YEAS—42

Akaka	Daschle	Kerrey
Baucus	Dorgan	Kerry
Biden	Exon	Kohl
Bingaman	Feingold	Lautenberg
Boxer	Glenn	Leahy
Bradley	Graham	Levin
Brown	Grassley	Mikulski
Bryan	Harkin	Moseley-Braun
Bumpers	Hatfield	Moynihan
Byrd	Jeffords	Murray
Conrad	Kennedy	Pell

Pressler	Rockefeller	Simpson
Pryor	Sarbanes	Wellstone
Reid	Simon	Wyden

NAYS—57

Abraham	Feinstein	Lugar
Ashcroft	Ford	Mack
Bennett	Frist	McCain
Bond	Gorton	McConnell
Breaux	Gramm	Murkowski
Burns	Grams	Nickles
Campbell	Gregg	Nunn
Chafee	Hatch	Robb
Coats	Heflin	Roth
Cochran	Helms	Santorum
Cohen	Hollings	Shelby
Coverdell	Hutchison	Smith
Craig	Inhofe	Snowe
D'Amato	Johnston	Specter
DeWine	Kassebaum	Stevens
Dodd	Kempthorne	Thomas
Dole	Kyl	Thompson
Domenici	Lieberman	Thurmond
Faircloth	Lott	Warner

NOT VOTING—1

Inouye

The amendment (No. 3963) was rejected.

Mr. DOMENICI. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, might I say to the Senators, since there are a lot of them present here tonight, Senator EXON and I have been trying to work together to see if we can move this resolution and the amendments along. We would very much appreciate it if Senators who have amendments could begin to tell us what the amendments are by noon tomorrow and perhaps begin to turn in amendments by noon tomorrow so we can begin to schedule the amendments in some kind of sequence.

Having said that, Senator EXON and I have conferred. Senator EXON is going to lay down the President's budget at 9:30 in the morning. There will be ample time to debate. There is plenty of time on the resolution. Indeed, there is time for amendments to the President's budget, and we will have some of those ready on our side.

## MORNING BUSINESS

### NOTICE OF PROPOSED RULEMAKING

Mr. THURMOND. Mr. President, pursuant to section 304(b) of the Congressional Accountability Act of 1995 (2 U.S.C. sec. 1384(b)), a notice of proposed rulemaking was submitted by the Office of Compliance, U.S. Congress. The notice relates to Federal service labor-management relations (Regulations under section 220(d) of the Congressional Accountability Act.)

Section 304(b) requires this notice to be printed in the CONGRESSIONAL RECORD, therefore I ask unanimous consent that the notice be printed in the RECORD.